

**ANNUAL BUDGET OF**  
**NALEDI LOCAL**  
**MUNICIPALITY**  
**NW392**



**2017/18 TO 2019/20**  
**MEDIUM TERM REVENUE AND**  
**EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

AMR	Automated Meter Reading	KPI	Key Performance Indicator
ASGISA	Accelerated and Shared Growth Initiative	kWh	kilowatt
BPC	Budget Planning Committee	ℓ	litre
CBD	Central Business District	LED	Local Economic Development
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act Programme
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EEDSM	Energy Efficiency Demand Side Management	NERSA	National Electricity Regulator South Africa
EM	Executive Mayor	NGO	Non-Governmental organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross domestic product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Strategy	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kl	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
		SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**

Council's Special Sitting for the Passing of the 2017/18 Budget

Today marks ten months since our coming into office as a new administration.

So very much has happened over the period. As few as there could be positives and joyful moments, it is mostly the negative, the bad, the sorrowful and hurt that defuses the gains realized.

We've lost community leaders, ordinary community members, friends and relatives in various forms. Here in this institution, how can we forget those of our officials we lost and our fellow Cllr. Phanny Matlabe. (May Their Souls Rest In Peace).

We rode on an approved (by the previous Council) budget which flashed serious challenges in so far as being cash-backed. Not only was the budget not cash-based, but was also not MSCOA aligned and therefore technically not credible.

Fellow Councillors, Administrators and all Organs supporting the roll out of Naledi Municipality's budget, to state that this municipality is financially challenged is putting things rather mildly. Much needs to be done and much needs to happen to change the current state of affairs.

We gather today against a state of lack of water. Will the passing of the draft budget result in the availability of water. Certainly not immediately, but probably as we adopt the budget, we'll open new possibilities to improve on that front.

We are also gathered against a 'negative first', with salaries not paid on the usual 25th, precipitating murmurs as heard along the municipal corridors and in some parts of the community, of worker protests against such. We're delighted that salaries have finally been paid for the month of May 2017.

As earlier stated, we need to do more to change the financial status of our organization.

- How can we have a cash-backed budget when we have a debtor's book as huge as +R230m?
- How can we improve service delivery when we lack the resources such as plant, equipment and machinery?
- How can we be proficient and efficient when critical positions still remain unfunded and unfilled?
- How can we attract investment if the very basics such as proper roads, proper social amenities and facilities, consistent water supply, threats over bulk electricity cuts by Eskom and Sanitation shortfalls are concerns which linger over us so prominently?

Together with administration, Council should apply deep thought whenever decisions (or choices) in the pretext of service delivery are to be taken. Indeed, we will depend on our relations with national government, provincial departments and the district municipality. In unity and in consultation with communities in their respective formations, extra-ordinary measures are needed. In the words famed by the late Cllr. Matlabe (may his soul rest in peace), 'it's time for a new normal'.

Speaker, this budget is presented to your august house in line with the relevant legislative prescripts (among them being: The Constitution, MFMA, Systems Act, Property Rates Act, Structures Act and relevant Treasury Circulars).

The budget places joint, collective as well individualistic responsibilities upon Councillors and Administrators to implement it accordingly.

Among some of the interventions presented and proposed, the following refer and are duly implementable henceforth:

- Cost cutting measures (e.g. reduce employee related costs, reduce unfunded mandate expenses and
- Cost containment measures (e.g. limit non-essential expenses)
- Improve revenue (e.g. introduce smart metering in broader Naledi)

We'd also like the budget to be VTSD sensitive in its roll-out.

The latter is a provincial directive stewarded by honourable Premier Mahumapelo.

I present to you the 2017/18 budget for approval and adoption.

## **1.2 Council Resolutions**

On 31 May 2017 the Council of Naledi Local Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. That the final Operating and Capital Budget for the MTREF 2017/18 to 2019/20 is hereby tabled by the Mayor to Council in terms of section 16(2) of the Municipal Finance Management Act, 56 of 2003.
2. That the draft Operating and Capital Budget for the MTREF 2017/18 to 2019/20 was taken for public participation to all wards within Naledi Local Municipality and that public was invited to make representations in connection with the budget in terms of sections 22 and 23 of the Municipal Finance Management Act, 56 of 2003.
3. That in terms of section 17(3) of the Municipal Finance Management Act, 56 of 2003, the following draft resolution for the final adoption of the annual Operating and Capital Budget for the MTREF 2017/18 to 2019/20 is hereby noted.

4. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Naledi Local Municipality for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20; and the multi-year and single year capital appropriations are approved as set-out in the following tables:-
  - 4.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
  - 4.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
  - 4.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
  - 4.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
  
5. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:-
  - 5.1 Budgeted Financial Position;
  - 5.2 Budgeted Cash Flows;
  - 5.3 Cash backed reserves and accumulated surplus reconciliation;
  - 5.4 Asset management; and
  - 5.5 Basic service delivery measurement.
  
6. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in annexures D that were used to prepare the estimates of revenue by source, are approved with effect from 01 July 2017.
  
7. That 2017 / 2018 tariffs be increased as follows:-
 

7.1	Rates	6.40 %
7.2	Rates Government	0.00%

7.3	Water	6.40 %
7.4	Electricity	1.88 %
7.5	Refuse Removal	6.40 %
7.6	Sewerage	6.40 %
7.7	Other Services	6.40 %

8. That the Municipality increased the rates for state owned properties by 59.90% whilst for the other property categories the increase was 6.60% in 2016/2017 financial year.
9. That given our cash flow challenges for the municipality, in order to comply with the recommendation of the Department of Cooperative Governance of gradually lowering the rates for state owned property, the municipality for the budget year of 2017/18 keep the tariff increase at 0.00% as lowering the rates will have detrimental effect on our cash flow.
10. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) is approved.
11. That provision has been made for 7.36% increase in the salaries and wages of employees in terms of SALGA circular 17/2015 of 04 May 2015, while the negotiations are still underway.
12. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are approved.
13. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are approved.
14. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 4 are approved for the budget year 2017/18.



15. That Gross Monthly Income Amount approved by Council in terms of section 9.1.3 of the Approved Indigent Policy is R2, 300 except social grants.
16. That the budget for repairs and maintenance allocation be reviewed during the budget adjustment.
17. That council note the plan to reduce budget shortfall of which the major problem is high salary bill which takes 41.7% of the total operating expenditure budget which makes it difficult for the municipality to fund sufficiently other important operation expenditure like repairs and maintenance.
18. That the municipality must enter in new water service provider contract with the Dr Ruth Sekgomotsi Mompoti District Municipality.
19. That council note that in terms of Acknowledgement of Debt and Repayment Plan Agreement signed on 17 February 2017 between the municipality and Eskom, in 2017/2018 Municipality must pay its current account per month, in 2018/19 the payment is for current account monthly plus R49, 500 million towards the outstanding debt, in 2019/20 and 2020/21 the payment is for current account monthly plus R55, 500 million towards the outstanding debt per year and in 2021/22 the payment is for current account monthly plus R37, 500 million towards outstanding debt per year.
20. That council acknowledges the 2017/18 Medium Term Revenue Expenditure Framework has a deficit of R 22,6 million
21. That the municipality, with the assistance of Provincial Treasury, will identify and implement appropriate measures and strategies to address root causes of the deficit, and to further submit and explain these measures to Council
22. That MFAM circular 82 on cost containment be submitted to Council for adoption and implementation
23. That the municipality implements the approved cost containment plan and allocate the identified savings towards addressing the deficit and report to Council and Provincial Treasury on a quarterly basis.

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 85 and 86 were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2017/18MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity Municipality infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Vaalharts Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2017/18 MTREF process; and
- Availability of affordable capital/borrowing.
- Current Eskom repayment agreement is unrealistic and unaffordable given our current cash flow problems. In 2017/2018 Municipality must pay its current account per month. In 2018/19 the payment is for current account monthly plus R49, 500 million of the outstanding debt per year. In 2019/20 and 2020/21 the payment is for current account monthly plus R55, 500 million of the outstanding debt per year. In 2021/22 the payment is for current account monthly plus R37, 500 million of the outstanding debt per year.
- The Municipality increased the rates for state owned properties by 59.90% whilst for the other property categories the increase was 6.60% in 2016/2017 financial year. The Department of Cooperative Governance recommended that the Municipality gradually lower the rates for state owned property. In order for the Municipality to comply with the recommendations for the budget year of 2017/18, the Municipality must keep the tariff increase for state owned properties at 0.00% as lowering the rates will have detrimental effect on our cash flow.
- Library and Fire and Disaster services function running at a deficit of R2, 094 million and R11, 072 million.

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2017/18 Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2016/17 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2016/17 MTREF**

<b>R Thousand</b>	<b>Budget Year 2016/17</b>	<b>Budget Year 2017/18</b>	<b>Budget Year 2018/19</b>	<b>Budget Year 2019/20</b>
Total Operating Revenue	414 485 648	382 746 926	382 521 369	406 287 504
Total Operating Expenditure	404 097 796	405 393 039	407 656 974	429 064 622
Surplus/(Deficit) for the year	10 387 852	-22 646 113	-25 135 605	-22 777 118
Total Capital Expenditure	56 288 000	37 405 000	32 161 000	36 056 000

Total operating revenue has decrease by 8.3 per cent or R31, 7 million for the 2017/18 financial year when compared to the 2016/17 Budget. For the two outer years, operational revenue will decrease by 8.4 and decreased by 2.01 per cent respectively over the MTREF when compared to the 2016/17 financial year.

Total operating expenditure for the 2017/18 financial year has been appropriated at R405, 4 million and translates into a budgeted deficit of R22, 6 million. The deficit of R22, 6 million includes non-cash items for depreciation of R44, 4 million and debt impairment of R16, 7 million. When compared to the 2016/17 Budget, operational expenditure has increased by 0.3 per cent in the 2017/18 budget and increased by 0.6 and increased by 4.9 per cent for each of the respective outer years of the MTREF. The operating deficit for the two outer years increases to R25,1 million and decreased to R22, 7 million which includes non-cash items for depreciation and debt impairment of R60,2 and R61,1 million.

The capital budget of R37.4 million for 2017/18 is 50.4 per cent less when compared to the 2016/17 Budget of R56, 2 million. The capital programme decreases to R32.1 million in the 2018/19 financial year and increases in 2019/20 to R36, 1 million. A substantial portion of the capital budget will be funded from conditional grants over MTREF. Conditional grants will contribute 100 per cent of capital expenditure in each of the MTREF years.

## 1.4 Operating Revenue Framework

For Naledi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges;
- Electricity Municipality tariff increases as approved by the National Electricity Municipality Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2016/17 financial year, revenue from services charges totalled R207, 5 million. This increases to R211, 2 million, R220, 3 million and R232, 8 million in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Property rates is the second largest revenue source totalling 13.7 per cent or R45, 2 million rand and increases to R47, 2 million by 2017/18. The third largest sources is interest on outstanding debtors with R16,2 million and the fourth largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees.

Operating grants and transfers from National and Provincial government totals R48, 9 million in the 2016/17 financial year and steadily increases to R50, 6 million by 2017/18.. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 3 Operating Transfers and Grant Receipts**

**NW392 Naledi (Nw) - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b><u>Operating Transfers and Grants</u></b>										
<b>National Government:</b>		38 051	41 079	44 220	44 710	44 710	44 710	-	-	-
Local Government Equitable Share		34 611	36 699	39 619	41 201	41 201	41 201			
Finance Management		1 550	1 600	1 600	1 625	1 625	1 625			
Municipal Systems Improvement		890	934	930						
EPWP Incentive		1 000	1 846	1 876	1 884	1 884	1 884			
Other transfers/grants [insert description]				195						
<b>Provincial Government:</b>		530	-	1 450	530	530	530	-	-	-
Sport and Recreation		530		1 450	530	530	530			
Other transfers/grants [insert description]										
<b>District Municipality:</b>		17 269	19 168	16 821	22 000	22 000	22 000	-	-	-
Dr Ruth Segomotsi		17 269	19 168	16 821	22 000	22 000	22 000			
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	55 850	60 247	62 492	67 240	67 240	67 240	-	-	-
<b><u>Capital Transfers and Grants</u></b>										
<b>National Government:</b>		35 392	50 965	44 288	51 788	51 788	51 788	-	-	-
Municipal Infrastructure Grant (MIG)		22 379	30 051	28 231	16 204	16 204	16 204			
Integrated National Electrification Programme		13 013	8 000	8 971	18 000	18 000	18 000			
Department of Energy Grant (SANEDI) for Smart Meters			12 914	7 086	17 584	17 584	17 584			
MIG Roll Over anticipated										
<b>Provincial Government:</b>		-	700	-	-	-	-	-	-	-
Sport and Recreation			700							
<b>District Municipality:</b>		-	-	-	4 500	4 500	4 500	-	-	-
Dr Ruth Segomotsi					4 500	4 500	4 500			
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	35 392	51 665	44 288	56 288	56 288	56 288	-	-	-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		91 242	111 911	106 780	123 528	123 528	123 528	-	-	-

NW392 Naledi (Nw) - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	47 431	49 030	51 817
Local Government Equitable Share								43 507	47 075	49 602
Finance Management								1 700	1 955	2 215
EPWP Incentive								2 224		
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		-	-	-	-	-	-	1 480	1 530	1 616
Sport and Recreation								1 480	1 530	1 616
Other transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	-	-	-	-	-	-	48 911	50 560	53 433
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	38 205	32 961	36 956
Municipal Infrastructure Grant (MIG)								17 205	17 961	18 760
INEP and EEDSM								21 000	15 000	18 196
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	38 205	32 961	36 956
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	-	-	-	-	-	87 116	83 521	90 389

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.6 per cent upper boundary of the South African Reserve Bank's inflation target. The municipality increased the property rates tariff by 0.00 % for government property while others property rates for households, business, industrial and agricultural increased by 6.4 % and increased other tariffs charges with 6.4% except for electricity which was increased by 1.88 % as per NERSA guidelines. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom tariffs are below the mentioned inflation target. Given that the tariff increases are determined by external agencies, the impact they have on the municipality's electricity and the tariff is largely outside the control of the Municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2017/18 financial year based on a 0.00 % for government property while others property rates for households, business, industrial and agricultural increased by 6.4 % increase from 1 July 2017 is contained below:

**Table 4 Comparison of proposed rates to levied for the 2015/16 financial year**

<b>Category</b>	<b>Current Tariff  (1 July 2016)</b>	<b>Proposed tariff  (from 1 July 2017)</b>
	<b>c</b>	<b>C</b>
Residential %	0.00677	0.00720
Businesses %	0.01353	0.01440
Industrial %	0.01353	0.01440
Agricultural %	0.00169	0.00180
Agricultural : Businesses %	0.00339	0.00360
Government %	0.03046	0.03046

#### 1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 6.4 per cent from 1 July 2017 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to the registered indigents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 5 Proposed Water Tariffs**

CATEGORY	CURREN T TARIFFS	PROPOS ED TARIFFS
	2015/16	2016/17
	Rand per kℓ	Rand per kℓ
Households		
Monthly basic charge fee	-	-
Consumption per kiloliter per monthly reading/estimate (0 kl - 6 kl)	7.20	7.67
Consumption per kiloliter per monthly reading/estimate (7 kl - 15 kl)	9.60	10.22
Consumption per kiloliter per monthly reading/estimate (16 kl - 30 kl)	10.90	11.60
Consumption per kiloliter per monthly reading/estimate (31 kl - 50 kl)	12.60	13.41
Consumption per kiloliter per monthly reading/estimate (51 kl and more)	13.20	14.05
Businesses and other consumers		
Monthly availability/basic charge fee: Businesses	208.80	222.20
Monthly availability/basic charge fee: Sporting grounds	69.20	73.70
Monthly availability/basic charge fee: Agricultural Society	69.20	73.70
Monthly availability/basic charge fee: Bulk consumers above 500 kl	682.30	726.00
Consumption per kiloliter per monthly reading/estimate: Businesses, sporting grounds and Agricultural Society	9.20	9.79
Monthly availability/basic charge fee: Motor Club	35.30	37.60
Consumption per kiloliter per monthly reading/estimate: Motor Club	10.80	11.50
Consumption per kiloliter per monthly reading/estimate: Businesses Taung & Pudimoe (No basic charge)(Connection along Pudimoe line)	11.30	12.03
Sedibeng water provision		
Consumption per kiloliter per monthly reading/estimate	9.00	9.58
Bernaauw Small Holdings within municipal area		
Consumption per kiloliter per monthly reading/estimate (0 kl - 250 kl)	11.20	11.92
Consumption per kiloliter per monthly reading/estimate (251 kl - 300 kl)	27.00	28.73
Consumption per kiloliter per monthly reading/estimate (301 kl - 350 kl)	36.40	38.73
Consumption per kiloliter per monthly reading/estimate (351 kl - 400 kl)	45.80	48.74
Consumption per kiloliter per monthly reading/estimate (401 kl and more)	90.10	95.87

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:



The tariff structure of the 2017/18 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R14.05 per kilolitre for consumption in excess of 51kℓ per 30 day period.

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 0.31 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.

Considering the Eskom increases, the consumer tariff had to be increased by 1.88 per cent to offset the additional bulk purchase cost from 1 July 2017.

Registered indigents will again be granted 50 kWh per 30-day period free of charge

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6.4 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R19, 750 million for the 2017/18 financial year.

The following table compares the current and proposed tariffs:

CATEGORY	CURRENT TARIFF 2016/17	CURREN T TARIFF 2017/18
	TARIFF PER kℓ	TARIFF PER kℓ
	R	R
Sewerage fees per month		
Households for the first 4 flush units	198.20	211.00
Households for every flush unit above 4 to maximum of an additional 5 flush units	164.90	176.00
Sport clubs for the first 4 flush units	198.20	211.00
Sport clubs for every flush unit above the first 4 flush units	164.90	176.00
Church halls	458.00	488.00
Other premises: Per flush unit or 600mm urinal to a maximum of 50 flush units	198.20	211.00

**Table 6 Comparison between current sanitation charges and increases**

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

#### **1.4.5 Waste Removal and Impact of Tariff Increases**

A 6.4 per cent increase in the waste removal tariff is proposed from 1 July 2017. Any increase higher than 6.4 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2017:

**Table 7 Comparison between current waste removal fees and increases**

	<b>Budget year 2016/17</b>	<b>Budget year 2017/18</b>
<b>Refuse removal fees per month (one removal per week unless otherwise indicated)</b>		
Household	187.50	200.00
Churches/Halls	187.50	200.00
Halls	187.50	200.00
Sporting clubs	187.50	200.00
Theatres	187.50	200.00
Squatters with community toilets and water (all inclusive tariff)	199.30	213.00
Guest houses / Lodges (per room to a maximum of 10 rooms)	70.80	75.40
Hotels (3 times per week)	1 416.60	1 508.00
Old age homes and care centres	762.90	812.00
Cafés, green grocers and restaurants (3 times per week)	1 015.60	1 081.00
Hostels	1 416.60	1 508.00
Hospitals	1 416.60	1 508.00
Schools	524.40	558.00
Shops, hardware stores and other businesses	590.90	629.00
Chain stores and super markets (3 times per week)	1 217.30	1 296.00
Banks, libraries, large offices and department offices	634.80	676.00
Garages, work shops and spare part centres	790.20	841.00
Factories	370.10	394.00
Taxi rank (3 times per week)	1 999.20	2 128.00
Offices	384.40	410.00
Franchise restaurants (3 times per week)	1 364.40	1 452.00
Tuck shops and taverns	303.80	324.00
Exhaust centres	797.40	849.00
	To be determin ed	To be determin ed
Businesses on residential sites will be determined per type of business		
Shoprite, Spar and Pick & Pay (7 times per week)	4 438.40	4 723.00
Special removal from businesses per load	480.40	512.00
Stella businesses	221.80	236.00
	To be determin ed	To be determin ed
Centres will be based on number and type of businesses in centre		
Business standing empty	244.40	261.00
Mass containers (1 m <sup>3</sup> )(Capital Cost R 1,100)	414.00	441.00
Mass containers (8 m <sup>3</sup> )(Capital Cost R 12,000)	812.70	865.00
Mass containers (18 m <sup>3</sup> )(Capital Cost R 32,000)	1 224.40	1 303.00
Refuse removal per 240 liter refuse bin (2 removals per week)	258.60	276.00
Refuse removal per 240 liter refuse bin (3 removals per week)	340.50	363.00
Refuse removal per 240 liter refuse bin (7 removals per week)	429.50	457.00
Refundable deposit: All new business applications - relocations included	554.10	590.00
Penalty for the removal of municipal refuse bins (240 liter refuse bins) from any premises	958.70	1 021.00

#### 1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 8 MBRR Table SA14 – Household bills

## NW392 Naledi (Nw) - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		1 611.15	1 308.90	1 371.73	1 462.26	1 462.26	1 462.26	6.6%			
Electricity: Basic lev y		328.61	352.90	395.95	433.17	433.17	433.17	9.4%			
Electricity: Consumption		6 411.43	6 808.94	7 639.63	8 357.75	8 357.75	8 357.75	9.4%			
Water: Basic lev y		–	–	–	–	–	–	–			
Water: Consumption		1 193.34	1 267.33	1 328.16	1 415.82	1 415.82	1 415.82	6.6%			
Sanitation		406.84	432.07	452.81	482.69	482.69	482.69	6.6%			
Refuse removal		156.53	166.23	174.21	185.71	185.71	185.71	6.6%			
Other											
<b>sub-total</b>		<b>10 107.91</b>	<b>10 336.37</b>	<b>11 362.49</b>	<b>12 337.41</b>	<b>12 337.41</b>	<b>12 337.41</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
VAT on Services											
<b>Total large household bill:</b>		<b>10 107.91</b>	<b>10 336.37</b>	<b>11 362.49</b>	<b>12 337.41</b>	<b>12 337.41</b>	<b>12 337.41</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase/-decrease</b>			<b>2.3%</b>	<b>9.9%</b>	<b>8.6%</b>	<b>–</b>	<b>–</b>		<b>(100.0%)</b>	<b>–</b>	<b>–</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		314.44	255.45	267.71	285.38	285.38	285.38	6.6%			
Electricity: Basic lev y		166.48	178.78	200.60	219.45	219.45	219.45	9.4%			
Electricity: Consumption		835.62	887.43	995.69	1 089.29	1 089.29	1 089.29	9.4%			
Water: Basic lev y		–	–	–	–	–	–	–			
Water: Consumption		224.61	238.53	249.98	266.48	266.48	266.48	6.6%			
Sanitation		162.99	173.10	181.41	193.38	193.38	193.38	6.6%			
Refuse removal		156.53	166.23	174.21	185.71	185.71	185.71	6.6%			
Other											
<b>sub-total</b>		<b>1 860.67</b>	<b>1 899.53</b>	<b>2 069.61</b>	<b>2 239.70</b>	<b>2 239.70</b>	<b>2 239.70</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
VAT on Services											
<b>Total small household bill:</b>		<b>1 860.67</b>	<b>1 899.53</b>	<b>2 069.61</b>	<b>2 239.70</b>	<b>2 239.70</b>	<b>2 239.70</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase/-decrease</b>			<b>2.1%</b>	<b>9.0%</b>	<b>8.2%</b>	<b>–</b>	<b>–</b>		<b>(100.0%)</b>	<b>–</b>	<b>–</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		95.62	77.68	81.41	86.78	86.78	86.78	6.6%			
Electricity: Basic lev y		189.79	203.81	228.68	250.17	250.17	250.17	9.4%			
Electricity: Consumption		382.59	406.31	455.88	498.73	498.73	498.73	9.4%			
Water: Basic lev y		–	–	–	–	–	–	–			
Water: Consumption		69.13	73.41	76.94	82.01	82.01	82.01	6.6%			
Sanitation		166.85	177.19	185.70	197.95	197.95	197.95	6.6%			
Refuse removal		157.34	167.10	175.12	186.68	186.68	186.68	6.6%			
Other											
<b>sub-total</b>		<b>1 061.31</b>	<b>1 105.51</b>	<b>1 203.72</b>	<b>1 302.33</b>	<b>1 302.33</b>	<b>1 302.33</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
VAT on Services											
<b>Total small household bill:</b>		<b>1 061.31</b>	<b>1 105.51</b>	<b>1 203.72</b>	<b>1 302.33</b>	<b>1 302.33</b>	<b>1 302.33</b>	<b>(100.0%)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase/-decrease</b>			<b>4.2%</b>	<b>8.9%</b>	<b>8.2%</b>	<b>–</b>	<b>–</b>		<b>(100.0%)</b>	<b>–</b>	<b>–</b>

NW392 Naledi (Nw) - Supporting Table SA14 Household bills											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates								6.4%	1 555.85	1 644.53	1 736.62
Electricity : Basic levy								1.9%	469.17	495.91	523.68
Electricity : Consumption								1.9%	9 052.28	9 568.26	10 104.08
Water: Basic levy											
Water: Consumption								6.4%	1 506.43	1 592.30	1 681.47
Sanitation								6.4%	513.58	542.86	573.26
Refuse removal								6.4%	197.60	208.86	220.56
Other											
sub-total		-	-	-	-	-	-	-	13 294.91	14 052.72	14 839.67
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	13 294.91	14 052.72	14 839.67
% increase/-decrease			-	-	-	-	-		-	5.7%	5.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates								6.4%	303.65	320.95	338.93
Electricity : Basic levy								1.9%	237.69	251.24	265.31
Electricity : Consumption								1.9%	1 179.81	1 247.06	1 316.89
Water: Basic levy											
Water: Consumption								6.4%	283.54	299.70	316.48
Sanitation								6.4%	205.76	217.48	229.66
Refuse removal								6.4%	197.60	208.86	220.56
Other											
sub-total		-	-	-	-	-	-	-	2 408.03	2 545.29	2 687.83
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	2 408.03	2 545.29	2 687.83
% increase/-decrease			-	-	-	-	-		-	5.7%	5.6%
Monthly Account for Household - 'Indigent Household receiving free basic services'	3										
Rates and services charges:											
Property rates								#DIV/0!	92.34	97.60	103.07
Electricity : Basic levy								#DIV/0!	270.96	286.41	302.44
Electricity : Consumption								#DIV/0!	540.18	570.97	602.94
Water: Basic levy											
Water: Consumption								#DIV/0!	87.26	92.24	97.40
Sanitation								#DIV/0!	210.62	222.63	235.10
Refuse removal								#DIV/0!	198.63	209.95	221.70
Other											
sub-total		-	-	-	-	-	-	-	1 399.99	1 479.78	1 562.65
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	1 399.99	1 479.78	1 562.65
% increase/-decrease			-	-	-	-	-		-	5.7%	5.6%

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

**Table 9 Summary of operating expenditure by standard classification item**

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 medium term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Expenditure By Type</b>											
Employee related costs	2	118 342	140 681	152 718	160 409	160 409	160 409	160 409	-	-	-
Remuneration of councillors		5 856	6 288	6 561	7 202	7 202	7 202	7 202			
Debt impairment	3	40 925	30 068	41 050	20 650	20 650	20 650	20 650			
Depreciation & asset impairment	2	48 635	51 423	37 581	49 370	49 370	49 370	49 370	-	-	-
Finance charges		16 785	22 136	33 512	2	2	2	2			
Bulk purchases	2	72 911	82 316	88 464	95 053	95 053	95 053	95 053	-	-	-
Other materials	8	12 834	8 286	6 199	31 934	31 934	31 934	31 934			
Contracted services		16 692	14 398	23 368	16 619	16 619	16 619	16 619	-	-	-
Transfers and grants		599	5 505	1 998	1 107	1 107	1 107	1 107	-	-	-
Other expenditure	4, 5	28 736	26 675	24 656	21 752	21 752	21 752	21 752	-	-	-
Loss on disposal of PPE		9 565	298 350	1 919							
<b>Total Expenditure</b>		<b>371 880</b>	<b>686 126</b>	<b>418 026</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 medium term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	168 980	178 612	188 614
Remuneration of councillors									7 635	8 070	8 522
Debt impairment	3								16 650	15 802	16 687
Depreciation & asset impairment	2	-	-	-	-	-	-	-	44 370	44 370	44 370
Finance charges									15 772	16 671	17 604
Bulk purchases	2	-	-	-	-	-	-	-	97 973	103 558	109 357
Other materials	8								17 936	15 466	17 472
Contracted services		-	-	-	-	-	-	-	14 618	2 526	2 668
Transfers and subsidies		-	-	-	-	-	-	-	245	303	312
Other expenditure	4, 5	-	-	-	-	-	-	-	21 213	22 278	23 458
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405 393</b>	<b>407 657</b>	<b>429 065</b>

The budgeted allocation for employee related costs for the 2017/18 financial year totals R168,9 million, which equals 41.7 per cent of the total operating expenditure. Provision has been made for 7.36 % increase in the salaries and wages of employees in terms of SALGA circular 17/2015 of 4 May 2015. An annual increase of 5.7 and 5.6 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment for the 2016/17 financial year this amount equates to R20,7 million and decrease to R16,7 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering

the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R44,4 million for the 2017/18 financial and equates to 10,9 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 3.9 per cent (R15,8 million) of operating expenditure excluding annual redemption for 2017/18.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Vaalharts Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

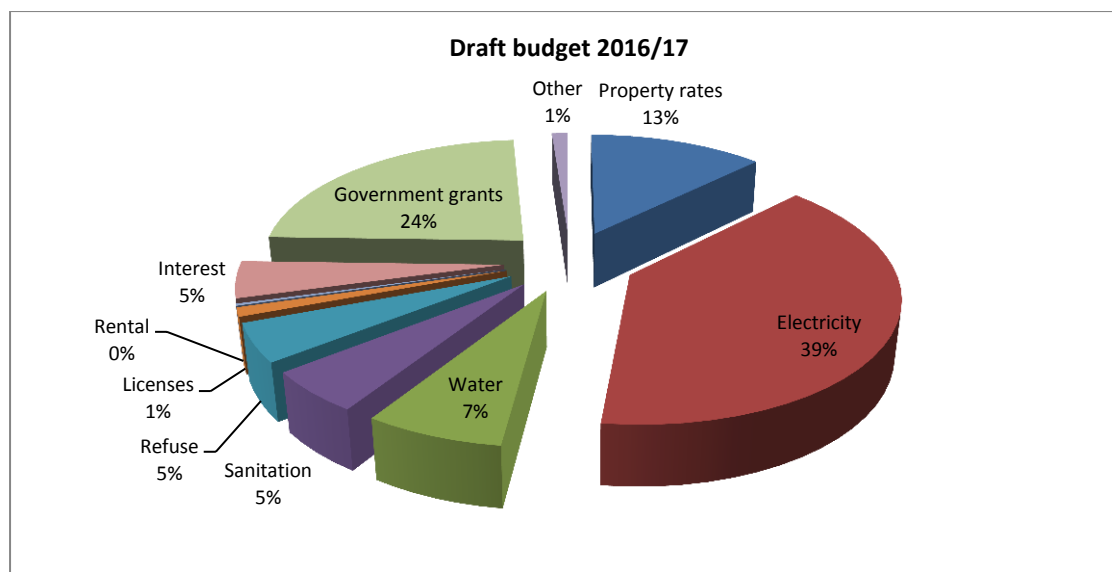
Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2017/18 the appropriation against this group of expenditure has decrease by R13,9 million from R31,9 in 2016/17 to R17,9 million in the 2017/18 financial year.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2017/18 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2017/18 financial year, this group of expenditure totals R14,6 million.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to contracted services can be seen in MBRR SA1.

The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year.

**Figure 1 Main operational expenditure categories for the 2017/18 financial year**



### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 10 Operational repairs and maintenance**

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 medium term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and Maintenance	8										
Employee related costs											
Other materials		12 834	8 286	6 199	31 934	31 934	31 934	31 934			
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	12 834	8 286	6 199	31 934	31 934	31 934	31 934	-	-	-



NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and Maintenance by Expenditure Item	8										
Employee related costs									17 936	15 466	17 472
Other materials											
Contracted Services											
Other Expenditure											
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 936</b>	<b>15 466</b>	<b>17 472</b>

During the compilation of the 2017/18 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was decreased by in the 2017/18 financial year, from R31, 9 million to R17,9 million. In relation to the total operating expenditure, repairs and maintenance comprises of 4.4 per cent for the respective financial years of the MTREF. The decrease as results of high employees related cost which take 41,7% of the total operation budget. The municipality adopted a plan the address the budget deficit when adoption the budget.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 11 Repairs and maintenance per asset class**

NW392 Naledi (Nw) - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		8 376	6 677	4 762	31 067	31 067	31 067	-	-	-
Infrastructure - Road transport		7 542	4 955	2 846	24 657	24 657	24 657	-	-	-
Roads, Pavements & Bridges		7 542	4 955	2 846	24 657	24 657	24 657			
Storm water										
Infrastructure - Electricity		273	1 340	1 468	4 000	4 000	4 000	-	-	-
Generation		273	1 340	1 426	4 000	4 000	4 000			
Transmission & Reticulation										
Street Lighting				43						
Infrastructure - Water		511	359	339	350	350	350	-	-	-
Dams & Reservoirs		511	359	339	350	350	350			
Water purification										
Reticulation										
Infrastructure - Sanitation		47	19	109	2 000	2 000	2 000	-	-	-
Reticulation										
Sewerage purification		47	19	109	2 000	2 000	2 000			
Infrastructure - Other		3	3	-	60	60	60	-	-	-
Waste Management		3	3		60	60	60			
Transportation	2									
Gas										
Other	3									
Community		27	8	164	93	93	93	-	-	-
Parks & gardens				0						
Sportsfields & stadia			5		18	18	18			
Swimming pools										
Community halls		10		160	25	25	25			
Libraries										
Recreational facilities		8		3						
Fire, safety & emergency					50	50	50			
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries		1								
Cemeteries	8									
Social rental housing										
Other		7	3	0						
Heritage assets		0	-	-	-	-	-	-	-	-
Buildings		0								
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		4 431	1 600	1 273	774	774	774	-	-	-
General vehicles		1 174	1 275	1 002	651	651	651			
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		206	80	166	61	61	61			
Computers - hardware/equipment										
Furniture and other office equipment		79	68	55	37	37	37			
Abattoirs										
Markets										
Civic Land and Buildings			98	20	25	25	25			
Other Buildings										
Other Land		342	59	29						
Surplus Assets - (Investment or Inventory)										
Other		2 630	20	0						
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	12 834	8 286	6 199	31 934	31 934	31 934	-	-	-

**NW392 Naledi (Nw) - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	17 580	15 091	17 075
Roads Infrastructure		-	-	-	-	-	-	10 741	13 204	15 138
Roads								10 741	13 204	15 138
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	4 037	1 039	1 041
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares								4 037	1 039	1 041
Water Supply Infrastructure		-	-	-	-	-	-	377	398	421
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution								377	398	421
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	2 065	69	73
Pump Station								2 065	69	73
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	360	381	402
Landfill Sites								360	381	402
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		-	-	-	-	-	-	93	99	105
Community Facilities		-	-	-	-	-	-	93	99	105
Halls								93	99	105

For the 2017/18 financial year, R17, 9 million of total repairs and maintenance will be spent on infrastructure assets.

### **1.5.2 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 6 500 or more indigent households during the 2017/18 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## **1.6 Capital expenditure**

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 12 2016/17 Medium-term capital budget per vote**

NW392 Naledi (Nw) - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - ADMINISTRATION & CORPORATE SERVICE		731	590	4 594	4 500	4 500	4 500	4 500	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		1 282	8	40	-	-	-	-	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		2 765	14 185	2 478	10 800	10 800	10 800	10 800	-	-	-
Vote 4 - TECHNICAL SERVICES		51 969	76 147	55 881	40 988	40 988	40 988	40 988	-	-	-
Vote 5 - MUNICIPAL MANAGER		171	301	24	-	-	-	-	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>2 185</b>	<b>899</b>	<b>4 657</b>	<b>4 500</b>	<b>4 500</b>	<b>4 500</b>	<b>4 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive and council		171	301	24							
Budget and treasury office		1 282	8	40							
Corporate services		731	590	4 594	4 500	4 500	4 500	4 500			
<b>Community and public safety</b>		<b>2 498</b>	<b>14 184</b>	<b>2 277</b>	<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		302	105	641	4 930	4 930	4 930	4 930			
Sport and recreation		2 168	13 368	1 320	5 620	5 620	5 620	5 620			
Public safety		25	710	317							
Housing		3									
Health											
<b>Economic and environmental services</b>		<b>24 484</b>	<b>41 292</b>	<b>29 320</b>	<b>19 988</b>	<b>19 988</b>	<b>19 988</b>	<b>19 988</b>	<b>-</b>	<b>-</b>	<b>-</b>
Planning and development											
Road transport		24 484	41 292	29 320	19 988	19 988	19 988	19 988			
Environmental protection											
<b>Trading services</b>		<b>27 752</b>	<b>34 857</b>	<b>26 761</b>	<b>21 250</b>	<b>21 250</b>	<b>21 250</b>	<b>21 250</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity		25 758	34 779	25 366	21 000	21 000	21 000	21 000			
Water		952	69	1 181							
Waste water management		775	7	14							
Waste management		266	1	201	250	250	250	250			
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funded by:</b>											
National Government		25 414	54 244	55 805	51 788	51 788	51 788	51 788			
Provincial Government											
District Municipality		15 326	12 096	4 550	4 500	4 500	4 500	4 500			
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	<b>40 740</b>	<b>66 340</b>	<b>60 355</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>8 216</b>	<b>18 512</b>								
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>		<b>7 963</b>	<b>6 379</b>	<b>2 661</b>							
<b>Total Capital Funding</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	4 155	7 161	8 120
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	250	-	8 240
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	33 000	19 000	19 696
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	37 405	26 161	36 056
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	37 405	26 161	36 056
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-
Executive and council											
Finance and administration											
Internal audit											
<b>Community and public safety</b>		-	-	-	-	-	-	-	4 155	13 161	8 120
Community and social services										13 161	8 120
Sport and recreation									4 155		
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	8 000	-	1 500
Planning and development											
Road transport									8 000		1 500
Environmental protection											
<b>Trading services</b>		-	-	-	-	-	-	-	25 250	19 000	26 436
Energy sources									25 000	19 000	18 196
Water management											
Waste water management											
Waste management									250		8 240
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	-	-	-	-	-	37 405	32 161	36 056
<b>Funded by:</b>											
National Government									37 405	32 161	36 056
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	-	-	-	-	-	37 405	32 161	36 056
<b>Public contributions &amp; donations</b>	<b>5</b>										
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>											
<b>Total Capital Funding</b>	<b>7</b>	-	-	-	-	-	-	-	37 405	32 161	36 056

For 2017/18 an amount of R33, million has been appropriated for the development of infrastructure which represents 88.2 per cent of the total capital budget. In the outer years this amount totals R19 million, 59.1 per cent and R27,9 million, 77,5 per cent respectively for

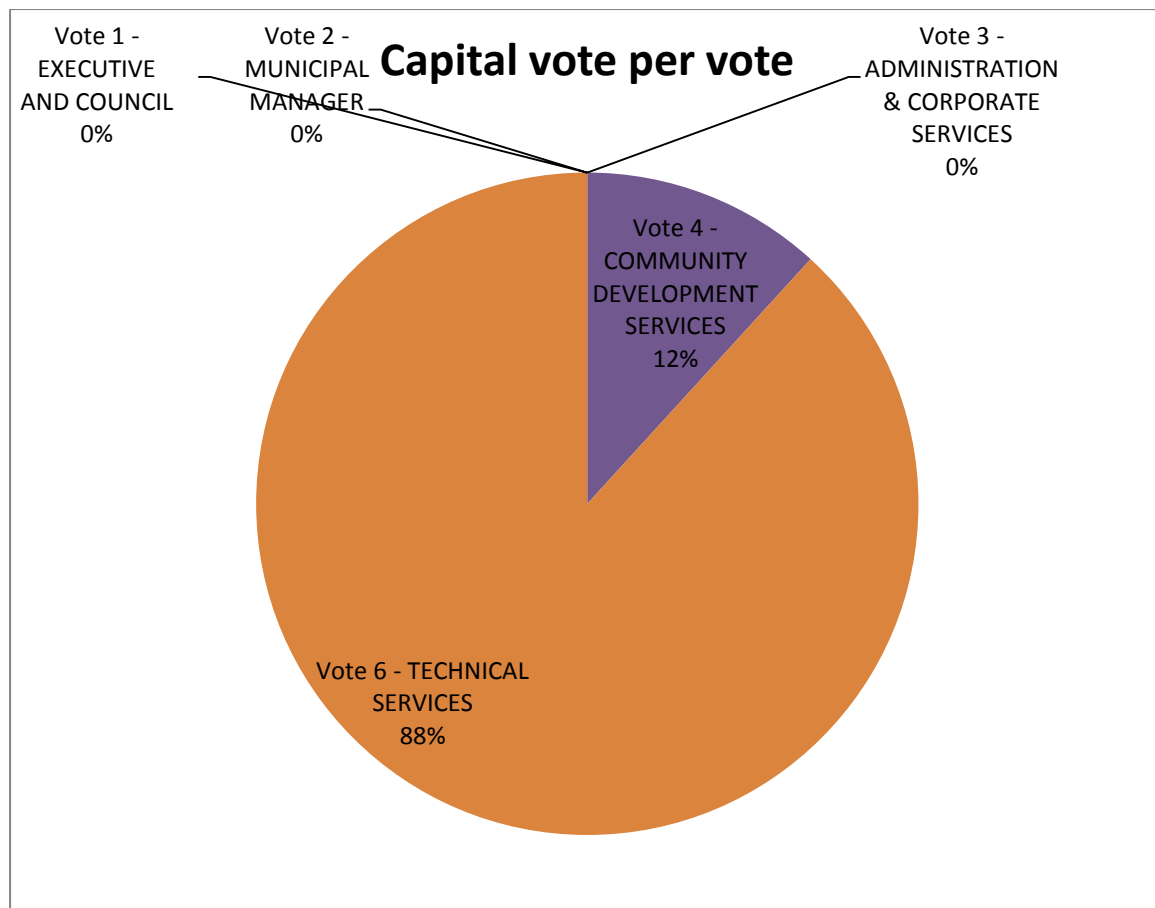
each of the financial years. Electricity infrastructure receives the highest allocation of R25 million in 2017/18 which equates to 66.8 per cent followed by roads 21.4 per cent, R8 million.

Total new assets represent 59.5 per cent or R22,3 million of the total capital budget while asset renewal equates to 40.5 per cent or R15,2 million. Further detail relating to asset classes and proposed capital expenditure is contained in MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

The projects to be undertaken over the medium-term include:

[illegible]

The following graph provides a breakdown of the capital budget for 2016/17 per vote.



**Figure 2 Capital Budget per Vote**

## **1.7 Annual Budget Tables - Parent Municipality**

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.



**Table 13 MBRR Table A1 - Budget Summary****NW392 Naledi (Nw) - Table A1 Consolidated Budget Summary**

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	29 587	34 342	36 776	45 195	45 195	45 195	45 195	-	-	-
Service charges	133 648	139 953	158 683	207 458	207 458	207 458	207 458	-	-	-
Investment revenue	575	235	402	308	308	308	308	-	-	-
Transfers recognised - operational	55 907	63 628	57 942	67 240	67 240	67 240	67 240	-	-	-
Other own revenue	61 946	60 737	72 071	37 998	37 998	37 998	37 998	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>281 662</b>	<b>298 896</b>	<b>325 873</b>	<b>358 198</b>	<b>358 198</b>	<b>358 198</b>	<b>358 198</b>	-	-	-
Employee costs	118 342	140 681	152 718	160 409	160 409	160 409	160 409	-	-	-
Remuneration of councillors	5 856	6 288	6 561	7 202	7 202	7 202	7 202	-	-	-
Depreciation & asset impairment	48 635	51 423	37 581	49 370	49 370	49 370	49 370	-	-	-
Finance charges	16 785	22 136	33 512	2	2	2	2	-	-	-
Materials and bulk purchases	85 745	90 602	94 663	126 987	126 987	126 987	126 987	-	-	-
Transfers and grants	599	5 505	1 998	1 107	1 107	1 107	1 107	-	-	-
Other expenditure	95 918	369 491	90 994	59 020	59 020	59 020	59 020	-	-	-
<b>Total Expenditure</b>	<b>371 880</b>	<b>686 126</b>	<b>418 026</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	-	-	-
<b>Surplus/(Deficit)</b>	<b>(90 217)</b>	<b>(387 231)</b>	<b>(92 153)</b>	<b>(45 900)</b>	<b>(45 900)</b>	<b>(45 900)</b>	<b>(45 900)</b>	-	-	-
Transfers recognised - capital	26 007	64 508	48 784	56 288	56 288	56 288	56 288	-	-	-
Contributions recognised - capital & contributed a	21 324	29 908	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	-	-	-
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	-	-	-
Transfers recognised - capital	40 740	66 340	60 355	56 288	56 288	56 288	56 288	-	-	-
Public contributions & donations	8 216	18 512	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	7 963	6 379	2 661	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	-	-	-
<b>Financial position</b>										
Total current assets	50 812	58 567	76 195	94 265	94 265	94 265	94 265	-	-	-
Total non current assets	990 626	739 381	765 024	697 799	697 799	697 799	697 799	-	-	-
Total current liabilities	302 573	373 623	427 141	446 003	446 003	446 003	446 003	-	-	-
Total non current liabilities	76 278	86 057	117 623	122 962	122 962	122 962	122 962	-	-	-
Community wealth/Equity	662 587	338 269	296 455	264 462	264 462	264 462	264 462	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating	29 262	58 092	73 053	34 760	34 760	34 760	34 760	-	-	-
Net cash from (used) investing	(33 882)	(57 535)	(54 255)	(30 488)	(30 488)	(30 488)	(30 488)	-	-	-
Net cash from (used) financing	-	(731)	(1 500)	(3 600)	(3 600)	(3 600)	(3 600)	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>1 459</b>	<b>1 285</b>	<b>18 583</b>	<b>1 957</b>	<b>1 957</b>	<b>1 957</b>	<b>1 957</b>	-	-	-
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	1 459	1 285	18 583	10 671	10 671	10 671	10 671	-	-	-
Application of cash and investments	226 470	300 666	366 946	336 205	336 205	336 205	336 205	-	-	-
<b>Balance - surplus (shortfall)</b>	<b>(225 011)</b>	<b>(299 381)</b>	<b>(348 364)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>(325 534)</b>	-	-	-
<b>Asset management</b>										
Asset register summary (WDV)	990 626	739 381	764 305	739 162	739 162	739 162	-	-	-	-
Depreciation & asset impairment	48 635	51 423	37 581	49 370	49 370	49 370	-	-	-	-
Renewal of Existing Assets	25 478	55 219	30 217	27 738	27 738	27 738	27 738	-	-	-
Repairs and Maintenance	12 834	8 286	6 199	31 934	31 934	31 934	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	17 579	17 579	17 579	-	-	-	-
Revenue cost of free services provided	20	20	20	20	20	20	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	9	9	9	9	9	9	-	-	-	-
Refuse:	1	1	1	1	1	1	-	-	-	-

NW392 Naledi (Nw) - Table A1 Budget Summary										
Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	47 231	49 923	52 719
Service charges	-	-	-	-	-	-	-	211 229	220 357	232 851
Investment revenue	-	-	-	-	-	-	-	358	378	400
Transfers recognised - operational	-	-	-	-	-	-	-	48 911	50 560	53 433
Other own revenue	-	-	-	-	-	-	-	36 814	28 342	29 929
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	-	-	-	344 542	349 560	369 332
Employee costs	-	-	-	-	-	-	-	168 980	178 612	188 614
Remuneration of councillors	-	-	-	-	-	-	-	7 635	8 070	8 522
Depreciation & asset impairment	-	-	-	-	-	-	-	44 370	44 370	44 370
Finance charges	-	-	-	-	-	-	-	15 772	16 671	17 604
Materials and bulk purchases	-	-	-	-	-	-	-	115 909	119 024	126 829
Transfers and grants	-	-	-	-	-	-	-	245	303	312
Other expenditure	-	-	-	-	-	-	-	52 482	40 606	42 813
<b>Total Expenditure</b>	-	-	-	-	-	-	-	405 393	407 657	429 065
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	(60 851)	(58 097)	(59 733)
Transfers and subsidies - capital (monetary alloc	-	-	-	-	-	-	-	38 205	32 961	36 956
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	-	-	(22 646)	(25 136)	(22 777)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	-	(22 646)	(25 136)	(22 777)
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	37 405	32 161	36 056
Transfers recognised - capital	-	-	-	-	-	-	-	37 405	32 161	36 056
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	37 405	32 161	36 056
<b>Financial position</b>										
Total current assets	-	-	-	-	-	-	-	61 300	64 732	68 357
Total non current assets	-	-	-	-	-	-	-	731 478	719 269	710 955
Total current liabilities	-	-	-	-	-	-	-	528 711	692 372	868 950
Total non current liabilities	-	-	-	-	-	-	-	121 255	128 264	135 665
Community wealth/Equity	-	-	-	-	-	-	-	192 277	152 148	114 352
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	-	-	-	-	(58 441)	(100 214)	(107 811)
Net cash from (used) investing	-	-	-	-	-	-	-	(37 405)	(32 161)	(36 056)
Net cash from (used) financing	-	-	-	-	-	-	-	(5 835)	(5 835)	(5 835)
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)
Application of cash and investments	-	-	-	-	-	-	-	400 658	423 117	446 810
<b>Balance - surplus (shortfall)</b>	-	-	-	-	-	-	-	(476 839)	(637 508)	(810 904)
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	732 197	732 197	719 988	711 674
Depreciation	-	-	-	-	-	-	44 370	44 370	44 370	44 370
Renewal of Existing Assets	-	-	-	-	-	-	-	15 155	12 161	14 620
Repairs and Maintenance	-	-	-	-	-	-	17 936	17 936	15 466	17 472
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	18 406	18 406	19 455	20 551
Revenue cost of free services provided	-	-	-	-	-	-	20	20	20	20
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	9	9	9	9
Refuse:	-	-	-	-	-	-	26	26	26	26

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the 2017/18
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

Table 14MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NW392 Naledi (Nw) - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		<b>147 109</b>	<b>135 213</b>	<b>148 058</b>	<b>131 976</b>	<b>131 976</b>	<b>131 976</b>	-	-	-
Executive and council		57 716	32 184	-	10 000	10 000	10 000	-	-	-
Budget and treasury office		88 508	102 274	143 298	116 874	116 874	116 874	-	-	-
Corporate services		885	755	4 760	5 102	5 102	5 102	-	-	-
<i><b>Community and public safety</b></i>		<b>18 308</b>	<b>15 376</b>	<b>12 696</b>	<b>10 530</b>	<b>10 530</b>	<b>10 530</b>	-	-	-
Community and social services		2 133	4 638	3 491	2 841	2 841	2 841	-	-	-
Sport and recreation		1 501	703	620	272	272	272	-	-	-
Public safety		14 664	9 494	8 568	7 412	7 412	7 412	-	-	-
Housing		10	541	16	5	5	5	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>14 196</b>	<b>59 048</b>	<b>37 234</b>	<b>34 364</b>	<b>34 364</b>	<b>34 364</b>	-	-	-
Planning and development		401	298	477	576	576	576	-	-	-
Road transport		13 794	58 750	36 757	33 788	33 788	33 788	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>149 381</b>	<b>183 674</b>	<b>176 669</b>	<b>237 616</b>	<b>237 616</b>	<b>237 616</b>	-	-	-
Electricity		96 552	130 895	130 272	159 560	159 560	159 560	-	-	-
Water		22 605	20 881	14 868	40 515	40 515	40 515	-	-	-
Waste water management		14 766	16 107	15 478	18 529	18 529	18 529	-	-	-
Waste management		15 458	15 791	16 052	19 012	19 012	19 012	-	-	-
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>328 994</b>	<b>393 311</b>	<b>374 658</b>	<b>414 486</b>	<b>414 486</b>	<b>414 486</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		<b>92 184</b>	<b>412 521</b>	<b>132 692</b>	<b>87 017</b>	<b>87 017</b>	<b>87 017</b>	-	-	-
Executive and council		24 035	325 407	28 702	27 912	27 912	27 912	-	-	-
Budget and treasury office		47 000	58 223	76 015	30 481	30 481	30 481	-	-	-
Corporate services		21 149	28 890	27 976	28 625	28 625	28 625	-	-	-
<i><b>Community and public safety</b></i>		<b>45 098</b>	<b>51 181</b>	<b>54 595</b>	<b>57 778</b>	<b>57 778</b>	<b>57 778</b>	-	-	-
Community and social services		12 817	11 155	13 349	13 918	13 918	13 918	-	-	-
Sport and recreation		7 163	10 994	11 935	11 465	11 465	11 465	-	-	-
Public safety		25 079	29 021	29 138	32 385	32 385	32 385	-	-	-
Housing		39	10	173	10	10	10	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>83 886</b>	<b>76 736</b>	<b>69 068</b>	<b>97 858</b>	<b>97 858</b>	<b>97 858</b>	-	-	-
Planning and development		955	3 075	3 582	4 761	4 761	4 761	-	-	-
Road transport		82 930	73 661	65 486	93 096	93 096	93 096	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>150 712</b>	<b>145 690</b>	<b>161 672</b>	<b>161 444</b>	<b>161 444</b>	<b>161 444</b>	-	-	-
Electricity		72 398	82 441	94 900	102 940	102 940	102 940	-	-	-
Water		49 977	31 519	32 725	24 603	24 603	24 603	-	-	-
Waste water management		10 344	12 209	14 222	14 798	14 798	14 798	-	-	-
Waste management		17 994	19 520	19 825	19 103	19 103	19 103	-	-	-
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>371 880</b>	<b>686 126</b>	<b>418 026</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) for the year</b>		<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	121 011	118 585	125 267
Executive and council		-	-	-	-	-	-	10 000	-	-
Finance and administration		-	-	-	-	-	-	111 011	118 585	125 267
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	4 278	4 487	4 739
Community and social services		-	-	-	-	-	-	3 964	4 155	4 388
Sport and recreation		-	-	-	-	-	-	314	332	350
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	22 699	23 768	24 892
Planning and development		-	-	-	-	-	-	17 793	18 583	19 416
Road transport		-	-	-	-	-	-	4 906	5 186	5 476
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	234 759	235 681	251 390
Energy sources		-	-	-	-	-	-	167 720	170 083	181 964
Water management		-	-	-	-	-	-	26 771	28 297	29 882
Waste water management		-	-	-	-	-	-	19 801	19 466	20 626
Waste management		-	-	-	-	-	-	20 466	17 834	18 917
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	-	-	-	-	-	382 747	382 521	406 288
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	109 253	107 264	113 184
Executive and council		-	-	-	-	-	-	31 664	27 661	29 143
Finance and administration		-	-	-	-	-	-	77 588	79 603	84 041
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	37 012	38 348	40 466
Community and social services		-	-	-	-	-	-	14 072	14 596	15 414
Sport and recreation		-	-	-	-	-	-	11 857	12 037	12 682
Public safety		-	-	-	-	-	-	11 072	11 703	12 359
Housing		-	-	-	-	-	-	10	11	11
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	98 842	101 653	106 096
Planning and development		-	-	-	-	-	-	4 495	4 596	4 845
Road transport		-	-	-	-	-	-	94 347	97 057	101 251
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	160 286	160 392	169 318
Energy sources		-	-	-	-	-	-	111 784	113 064	119 340
Water management		-	-	-	-	-	-	14 954	15 740	16 621
Waste water management		-	-	-	-	-	-	14 713	13 437	14 190
Waste management		-	-	-	-	-	-	18 836	18 151	19 168
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	-	-	-	-	-	405 393	407 657	429 065
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	(22 646)	(25 136)	(22 777)

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

**Table 15MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)****NW392 Naledi (Nw) - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - ADMINISTRATION & CORPORATE SERVICES		885	755	4 760	5 102	5 102	5 102	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		88 508	102 274	143 298	116 874	116 874	116 874	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		33 766	31 167	28 749	29 542	29 542	29 542	-	-	-
Vote 4 - TECHNICAL SERVICES		148 119	226 931	197 850	252 968	252 968	252 968	-	-	-
Vote 5 - MUNICIPAL MANAGER		57 716	32 184	-	10 000	10 000	10 000	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	328 994	393 311	374 658	414 486	414 486	414 486	-	-	-
Expenditure by Vote to be appropriated	1									
Vote 1 - ADMINISTRATION & CORPORATE SERVICES		21 149	28 890	27 976	28 625	28 625	28 625	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		47 000	58 223	76 015	30 481	30 481	30 481	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		63 092	70 701	74 420	76 882	76 882	76 882	-	-	-
Vote 4 - TECHNICAL SERVICES		216 604	202 905	210 914	236 603	236 603	236 603	-	-	-
Vote 5 - MUNICIPAL MANAGER		24 035	325 407	28 702	27 912	27 912	27 912	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	3 596	3 596	3 596	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	371 880	686 126	418 026	404 098	404 098	404 098	-	-	-
Surplus/(Deficit) for the year	2	(42 886)	(292 815)	(43 369)	10 388	10 388	10 388	-	-	-

NW392 Naledi (Nw) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	10 000	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	610	645	681
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	29 650	27 507	29 132
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	232 086	236 430	251 889
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	110 401	117 940	124 586
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	382 747	382 521	406 288
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	14 766	15 474	16 274
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	16 899	12 187	12 869
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	29 779	31 196	32 924
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	76 737	78 600	82 973
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	217 732	220 181	231 215
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	1 671	1 611	1 693
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	47 809	48 407	51 117
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	-	-	405 393	407 657	429 065
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	(22 646)	(25 136)	(22 777)



### Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 16 Surplus/(Deficit) calculations for the trading services**

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Trading services</b>										
<b>Electricity</b>										
Total operating revenue		96 552	130 895	130 272	159 560	159 560	159 560	167 720	170 083	181 964
Total operating expenditure		72 398	82 441	94 900	102 940	102 940	102 940	111 784	113 064	119 340
		<b>24 154</b>	<b>48 453</b>	<b>35 372</b>	<b>56 620</b>	<b>56 620</b>	<b>56 620</b>	<b>55 936</b>	<b>57 019</b>	<b>62 624</b>
<b>Water</b>										
Total operating revenue		22 605	20 881	14 868	40 515	40 515	40 515	26 771	28 297	29 882
Total operating expenditure		49 977	31 519	32 725	24 603	24 603	24 603	14 954	15 740	16 621
		<b>(27 371)</b>	<b>(10 638)</b>	<b>(17 857)</b>	<b>15 911</b>	<b>15 911</b>	<b>15 911</b>	<b>11 817</b>	<b>12 557</b>	<b>13 261</b>
<b>Waste water management</b>										
Total operating revenue		14 766	16 107	15 478	18 529	18 529	18 529	19 801	19 466	20 626
Total operating expenditure		10 344	12 209	14 222	14 798	14 798	14 798	14 713	13 437	14 190
		<b>4 422</b>	<b>3 898</b>	<b>1 256</b>	<b>3 731</b>	<b>3 731</b>	<b>3 731</b>	<b>5 089</b>	<b>6 029</b>	<b>6 437</b>
<b>Waste management</b>										
Total operating revenue		15 458	15 791	16 052	19 012	19 012	19 012	20 466	17 834	18 917
Total operating expenditure		17 994	19 520	19 825	19 103	19 103	19 103	18 836	18 151	19 168
		<b>(2 536)</b>	<b>(3 729)</b>	<b>(3 773)</b>	<b>(91)</b>	<b>(91)</b>	<b>(91)</b>	<b>1 630</b>	<b>(317)</b>	<b>(251)</b>

2. The electricity trading surplus is improving in the 2017/18 MTREF to R55,9 million. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. The water trading will have a surplus in the 2017/18 MTREF OF R11,8 million, and continue to improve in 2018/19 and 2019/20.
4. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services.*

**Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)****NW392 Naledi (Nw) - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	29 587	34 342	36 776	45 195	45 195	45 195	45 195	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	83 529	97 549	114 197	141 493	141 493	141 493	141 493	-	-	-
Service charges - water revenue	2	22 480	13 707	14 479	30 356	30 356	30 356	30 356	-	-	-
Service charges - sanitation revenue	2	13 969	14 439	15 441	18 480	18 480	18 480	18 480	-	-	-
Service charges - refuse revenue	2	13 670	14 258	14 565	17 128	17 128	17 128	17 128	-	-	-
Service charges - other											
Rental of facilities and equipment		1 116	738	807	944	944	944	944			
Interest earned - external investments		575	235	402	308	308	308	308			
Interest earned - outstanding debtors		11 406	13 504	16 555	16 200	16 200	16 200	16 200			
Dividends received											
Fines		1 855	1 481	977	933	933	933	933			
Licences and permits		5 872	6 935	6 569	5 978	5 978	5 978	5 978			
Agency services		-	-	-							
Transfers recognised - operational		55 907	63 628	57 942	67 240	67 240	67 240	67 240			
Other revenue	2	41 697	35 134	46 978	3 942	3 942	3 942	3 942	-	-	-
Gains on disposal of PPE		-	2 946	186	10 000	10 000	10 000	10 000			
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>281 662</b>	<b>298 896</b>	<b>325 873</b>	<b>358 198</b>	<b>358 198</b>	<b>358 198</b>	<b>358 198</b>	-	-	-
<b>Expenditure By Type</b>											
Employee related costs	2	118 342	140 681	152 718	160 409	160 409	160 409	160 409	-	-	-
Remuneration of councillors		5 856	6 288	6 561	7 202	7 202	7 202	7 202			
Debt impairment	3	40 925	30 068	41 050	20 650	20 650	20 650	20 650			
Depreciation & asset impairment	2	48 635	51 423	37 581	49 370	49 370	49 370	49 370	-	-	-
Finance charges		16 785	22 136	33 512	2	2	2	2			
Bulk purchases	2	72 911	82 316	88 464	95 053	95 053	95 053	95 053	-	-	-
Other materials	8	12 834	8 286	6 199	31 934	31 934	31 934	31 934			
Contracted services		16 692	14 398	23 368	16 619	16 619	16 619	16 619	-	-	-
Transfers and grants		599	5 505	1 998	1 107	1 107	1 107	1 107	-	-	-
Other expenditure	4, 5	28 736	26 675	24 656	21 752	21 752	21 752	21 752	-	-	-
Loss on disposal of PPE		9 565	298 350	1 919							
<b>Total Expenditure</b>		<b>371 880</b>	<b>686 126</b>	<b>418 026</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	<b>404 098</b>	-	-	-
<b>Surplus/(Deficit)</b>		<b>(90 217)</b>	<b>(387 231)</b>	<b>(92 153)</b>	<b>(45 900)</b>	<b>(45 900)</b>	<b>(45 900)</b>	<b>(45 900)</b>	-	-	-
Transfers recognised - capital		26 007	64 508	48 784	56 288	56 288	56 288	56 288			
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		21 324	29 908								
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	-	-	-
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	-	-	-
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	-	-	-
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(42 886)</b>	<b>(292 815)</b>	<b>(43 369)</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	<b>10 388</b>	-	-	-

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	47 231	49 923	52 719
Service charges - electricity revenue	2	-	-	-	-	-	-	-	146 653	155 013	163 693
Service charges - water revenue	2	-	-	-	-	-	-	-	26 582	28 098	29 671
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	19 750	19 413	20 569
Service charges - refuse revenue	2	-	-	-	-	-	-	-	18 242	17 834	18 917
Service charges - other											
Rental of facilities and equipment									1 006	1 063	1 122
Interest earned - external investments									358	378	400
Interest earned - outstanding debtors									17 200	18 180	19 199
Dividends received											
Fines, penalties and forfeits									1 097	1 160	1 225
Licences and permits									3 208	3 391	3 581
Agency services											
Transfers and subsidies									48 911	50 560	53 433
Other revenue	2	-	-	-	-	-	-	-	4 303	4 548	4 803
Gains on disposal of PPE									10 000		
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	<b>344 542</b>	<b>349 560</b>	<b>369 332</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	168 980	178 612	188 614
Remuneration of councillors									7 635	8 070	8 522
Debt impairment	3								16 650	15 802	16 687
Depreciation & asset impairment	2	-	-	-	-	-	-	-	44 370	44 370	44 370
Finance charges									15 772	16 671	17 604
Bulk purchases	2	-	-	-	-	-	-	-	97 973	103 558	109 357
Other materials	8								17 936	15 466	17 472
Contracted services		-	-	-	-	-	-	-	14 618	2 526	2 668
Transfers and subsidies		-	-	-	-	-	-	-	245	303	312
Other expenditure	4, 5	-	-	-	-	-	-	-	21 213	22 278	23 458
Loss on disposal of PPE											
<b>Total Expenditure</b>		-	-	-	-	-	-	-	<b>405 393</b>	<b>407 657</b>	<b>429 065</b>
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	<b>(60 851)</b>	<b>(58 097)</b>	<b>(59 733)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									38 205	32 961	36 956
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	-	-	-	-	-	-	<b>(22 646)</b>	<b>(25 136)</b>	<b>(22 777)</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		-	-	-	-	-	-	-	<b>(22 646)</b>	<b>(25 136)</b>	<b>(22 777)</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		-	-	-	-	-	-	-	<b>(22 646)</b>	<b>(25 136)</b>	<b>(22 777)</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	-	<b>(22 646)</b>	<b>(25 136)</b>	<b>(22 777)</b>

### Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R382,7 million in 2017/18 and decrease to R382.5 million by 2018/19.
2. Revenue to be generated from property rates is R45,2 million in the 2016/17 financial year and increases to R47.2 million by 2017/18 which represents 13.7 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6.40 per cent, 5.70 per cent and 5.60 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R175.6 million for the 2016/17 financial year and increasing to R211,2 million by 2017/18. For the 2017/18 financial year services charges amount to 61.3 per cent of the total revenue base

4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Bulk purchases have significantly increased over the 2016/17 to 2017/18 period escalating from R95.1 million to R97.8 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom. Bulk water will be paid by Dr Ruth Sekgomotsi Mompoti Municipality.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

NW392 Naledi (Nw) - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - ADMINISTRATION & CORPORATE SERVICES		731	590	4 594	4 500	4 500	4 500	4 500	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		1 282	8	40	-	-	-	-	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		2 765	14 185	2 478	10 800	10 800	10 800	10 800	-	-	-
Vote 4 - TECHNICAL SERVICES		51 969	76 147	55 881	40 988	40 988	40 988	40 988	-	-	-
Vote 5 - MUNICIPAL MANAGER		171	301	24	-	-	-	-	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - ADMINISTRATION & CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>2 185</b>	<b>899</b>	<b>4 657</b>	<b>4 500</b>	<b>4 500</b>	<b>4 500</b>	<b>4 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive and council		171	301	24							
Budget and treasury office		1 282	8	40							
Corporate services		731	590	4 594	4 500	4 500	4 500	4 500			
<b>Community and public safety</b>		<b>2 498</b>	<b>14 184</b>	<b>2 277</b>	<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		302	105	641	4 930	4 930	4 930	4 930			
Sport and recreation		2 168	13 368	1 320	5 620	5 620	5 620	5 620			
Public safety		25	710	317							
Housing		3									
Health											
<b>Economic and environmental services</b>		<b>24 484</b>	<b>41 292</b>	<b>29 320</b>	<b>19 988</b>	<b>19 988</b>	<b>19 988</b>	<b>19 988</b>	<b>-</b>	<b>-</b>	<b>-</b>
Planning and development											
Road transport		24 484	41 292	29 320	19 988	19 988	19 988	19 988			
Environmental protection											
<b>Trading services</b>		<b>27 752</b>	<b>34 857</b>	<b>26 761</b>	<b>21 250</b>	<b>21 250</b>	<b>21 250</b>	<b>21 250</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity		25 758	34 779	25 366	21 000	21 000	21 000	21 000			
Water		952	69	1 181							
Waste water management		775	7	14							
Waste management		266	1	201	250	250	250	250			
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funded by:</b>											
National Government		25 414	54 244	55 805	51 788	51 788	51 788	51 788			
Provincial Government											
District Municipality		15 326	12 096	4 550	4 500	4 500	4 500	4 500			
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	<b>40 740</b>	<b>66 340</b>	<b>60 355</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>8 216</b>	<b>18 512</b>								
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>		<b>7 963</b>	<b>6 379</b>	<b>2 661</b>							
<b>Total Capital Funding</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	4 155	7 161	8 120
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	250	-	8 240
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	33 000	19 000	19 696
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	37 405	26 161	36 056
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	37 405	26 161	36 056
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-
Executive and council											
Finance and administration											
Internal audit											
<b>Community and public safety</b>		-	-	-	-	-	-	-	4 155	13 161	8 120
Community and social services										13 161	8 120
Sport and recreation									4 155		
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	8 000	-	1 500
Planning and development											
Road transport									8 000		1 500
Environmental protection											
<b>Trading services</b>		-	-	-	-	-	-	-	25 250	19 000	26 436
Energy sources									25 000	19 000	18 196
Water management											
Waste water management											
Waste management									250		8 240
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	-	-	-	-	-	37 405	32 161	36 056
<b>Funded by:</b>											
National Government									37 405	32 161	36 056
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	-	-	-	-	-	37 405	32 161	36 056
<b>Public contributions &amp; donations</b>	<b>5</b>										
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>											
<b>Total Capital Funding</b>	<b>7</b>	-	-	-	-	-	-	-	37 405	32 161	36 056

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital budget appropriations, for 2017/18 amounts to R37,4 million.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from national grants. For 2017/18, capital transfers totals R37,4 million (100 per cent) grant funded.

**Table 19 MBRR Table A6 - Budgeted Financial Position**

NW392 Naledi (Nw) - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		13	40	2 077	15	15	15	15			
Call investment deposits	1	1 446	1 245	16 506	10 657	10 657	10 657	10 657	-	-	-
Consumer debtors	1	25 408	20 690	19 931	49 257	49 257	49 257	49 257	-	-	-
Other debtors		21 114	33 657	34 686	31 207	31 207	31 207	31 207			
Current portion of long-term receivables											
Inventory	2	2 830	2 936	2 995	3 130	3 130	3 130	3 130			
<b>Total current assets</b>		<b>50 812</b>	<b>58 567</b>	<b>76 195</b>	<b>94 265</b>	<b>94 265</b>	<b>94 265</b>	<b>94 265</b>	-	-	-
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	989 907	738 662	764 305	697 080	697 080	697 080	697 080	-	-	-
Agricultural											
Biological											
Intangible											
Other non-current assets		719	719	719	719	719	719	719			
<b>Total non current assets</b>		<b>990 626</b>	<b>739 381</b>	<b>765 024</b>	<b>697 799</b>	<b>697 799</b>	<b>697 799</b>	<b>697 799</b>	-	-	-
<b>TOTAL ASSETS</b>		<b>1 041 438</b>	<b>797 948</b>	<b>841 220</b>	<b>792 064</b>	<b>792 064</b>	<b>792 064</b>	<b>792 064</b>	-	-	-
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	31 771	32 148	4 957	33 631	33 631	33 631	33 631	-	-	-
Consumer deposits		3 880	5 647	6 672	6 076	6 076	6 076	6 076			
Trade and other payables	4	260 860	326 815	405 990	396 688	396 688	396 688	396 688	-	-	-
Provisions		6 062	9 013	9 521	9 608	9 608	9 608	9 608			
<b>Total current liabilities</b>		<b>302 573</b>	<b>373 623</b>	<b>427 141</b>	<b>446 003</b>	<b>446 003</b>	<b>446 003</b>	<b>446 003</b>	-	-	-
<b>Non current liabilities</b>											
Borrowing		302	450	24 649	479	479	479	479	-	-	-
Provisions		75 976	85 607	92 975	122 483	122 483	122 483	122 483	-	-	-
<b>Total non current liabilities</b>		<b>76 278</b>	<b>86 057</b>	<b>117 623</b>	<b>122 962</b>	<b>122 962</b>	<b>122 962</b>	<b>122 962</b>	-	-	-
<b>TOTAL LIABILITIES</b>		<b>378 851</b>	<b>459 680</b>	<b>544 764</b>	<b>568 965</b>	<b>568 965</b>	<b>568 965</b>	<b>568 965</b>	-	-	-
<b>NET ASSETS</b>	5	<b>662 587</b>	<b>338 269</b>	<b>296 455</b>	<b>223 099</b>	<b>223 099</b>	<b>223 099</b>	<b>223 099</b>	-	-	-
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		659 790	336 571	294 291	262 652	262 652	262 652	262 652			
Reserves	4	2 797	1 697	2 164	1 809	1 809	1 809	1 809	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>662 587</b>	<b>338 269</b>	<b>296 455</b>	<b>264 462</b>	<b>264 462</b>	<b>264 462</b>	<b>264 462</b>	-	-	-



NW392 Naledi (Nw) - Table A6 Budgeted Financial Position											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash									-	-	-
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	21 206	22 394	23 648
Other debtors									36 906	38 973	41 155
Current portion of long-term receivables									-	-	-
Inventory	2								3 187	3 365	3 554
Total current assets		-	-	-	-	-	-	-	61 300	64 732	68 357
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	730 759	718 550	710 236
Agricultural											
Biological											
Intangible											
Other non-current assets									719	719	719
Total non current assets		-	-	-	-	-	-	-	731 478	719 269	710 955
TOTAL ASSETS		-	-	-	-	-	-	-	792 778	784 002	779 313
LIABILITIES											
Current liabilities											
Bank overdraft	1								76 181	214 391	364 093
Borrowing	4	-	-	-	-	-	-	-	5 275	5 570	5 882
Consumer deposits									5 151	5 549	5 969
Trade and other payables	4	-	-	-	-	-	-	-	431 974	456 164	481 709
Provisions									10 131	10 698	11 297
Total current liabilities		-	-	-	-	-	-	-	528 711	692 372	868 950
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	22 330	23 799	25 350
Provisions		-	-	-	-	-	-	-	98 925	104 465	110 315
Total non current liabilities		-	-	-	-	-	-	-	121 255	128 264	135 665
TOTAL LIABILITIES		-	-	-	-	-	-	-	649 966	820 636	1 004 615
NET ASSETS	5	-	-	-	-	-	-	-	142 812	(36 634)	(225 302)
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									189 974	149 717	111 784
Reserves	4	-	-	-	-	-	-	-	2 303	2 432	2 568
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	192 277	152 148	114 352

### Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 23 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 20MBRR Table A7 - Budgeted Cash Flow Statement**

NW392 Naledi (Nw) - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		18 190	43 581	23 385	41 929	41 929	41 929	41 929	-	-	-
Service charges		156 083	141 513	159 007	190 745	190 745	190 745	190 745	-	-	-
Other revenue		21 525	(34 936)	55 331	11 798	11 798	11 798	11 798	-	-	-
Government - operating	1	55 907	63 628	62 492	67 240	67 240	67 240	67 240	-	-	-
Government - capital	1	26 007	64 508	44 234	56 288	56 288	56 288	56 288	-	-	-
Interest		11 981	13 739	16 957	16 508	16 508	16 508	16 508	-	-	-
Dividends									-	-	-
Payments											
Suppliers and employees		(243 858)	(197 406)	(252 843)	(348 639)	(348 639)	(348 639)	(348 639)	-	-	-
Finance charges		(15 974)	(22 136)	(33 512)	(2)	(2)	(2)	(2)	-	-	-
Transfers and Grants	1	(599)	(14 398)	(1 998)	(1 107)	(1 107)	(1 107)	(1 107)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		29 262	58 092	73 053	34 760	34 760	34 760	34 760	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 500	2 160	504	10 000	10 000	10 000	10 000	-	-	-
Decrease (Increase) in non-current debtors					15 800	15 800	15 800	15 800	-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(35 382)	(59 695)	(54 759)	(56 288)	(56 288)	(56 288)	(56 288)	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(33 882)	(57 535)	(54 255)	(30 488)	(30 488)	(30 488)	(30 488)	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing			(731)	(1 500)	(3 600)	(3 600)	(3 600)	(3 600)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(731)	(1 500)	(3 600)	(3 600)	(3 600)	(3 600)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(4 620)	(174)	17 298	672	672	672	672	-	-	-
Cash/cash equivalents at the year begin:	2	6 079	1 459	1 285	1 285	1 285	1 285	1 285	-	-	-
Cash/cash equivalents at the year end:	2	1 459	1 285	18 583	1 957	1 957	1 957	1 957	-	-	-

NW392 Naledi (Nw) - Table A7 Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates									35 423	37 442	39 539
Service charges									158 421	165 268	174 638
Other revenue									9 614	10 162	10 731
Government - operating	1								48 911	50 560	53 433
Government - capital	1								38 205	32 961	36 956
Interest									358	378	400
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees									(333 356)	(380 011)	(405 591)
Finance charges									(15 772)	(16 671)	(17 604)
Transfers and Grants	1								(245)	(303)	(312)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	-	-	-	-	(58 441)	(100 214)	(107 811)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets									(37 405)	(32 161)	(36 056)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	-	-	-	-	(37 405)	(32 161)	(36 056)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing									(5 835)	(5 835)	(5 835)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	(5 835)	(5 835)	(5 835)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	-	-	-	-	-	-	(101 681)	(138 210)	(149 702)
Cash/cash equivalents at the year begin:	2								25 500	(76 181)	(214 391)
Cash/cash equivalents at the year end:	2								(76 181)	(214 391)	(364 093)

**Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

NW392 Naledi (Nw) - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	1 459	1 285	18 583	1 957	1 957	1 957	1 957	-	-	-
Other current investments > 90 days		0	-	-	8 714	8 714	8 714	8 714	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>1 459</b>	<b>1 285</b>	<b>18 583</b>	<b>10 671</b>	<b>10 671</b>	<b>10 671</b>	<b>10 671</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	220 408	291 653	357 425	326 597	326 597	326 597	326 597	-	-	-
Other provisions		6 062	9 013	9 521	9 608	9 608	9 608	9 608			
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>226 470</b>	<b>300 666</b>	<b>366 946</b>	<b>336 205</b>	<b>336 205</b>	<b>336 205</b>	<b>336 205</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall)</b>		<b>(225 011)</b>	<b>(299 381)</b>	<b>(348 364)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	390 528	412 419	435 513
Other provisions									10 131	10 698	11 297
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		-	-	-	-	-	-	-	400 658	423 117	446 810
<b>Surplus(shortfall)</b>		-	-	-	-	-	-	-	(476 839)	(637 508)	(810 904)

### Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

### Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

### Table 22 MBRR Table A9 - Asset Management

NW392 Naledi (Nw) - Table A9 Consolidated Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	31 441	36 013	32 799	28 550	28 550	28 550	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		23 376	20 189	25 366	21 000	21 000	21 000	-	-	-
Infrastructure - Water		-	-	49	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	155	250	250	250	-	-	-
Infrastructure		23 376	20 189	25 570	21 250	21 250	21 250	-	-	-
Community		-	-	222	2 800	2 800	2 800	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	8 065	15 824	7 007	4 500	4 500	4 500	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	25 478	55 219	30 217	27 738	27 738	27 738	-	-	-
Infrastructure - Road transport		20 978	36 179	29 068	19 988	19 988	19 988	-	-	-
Infrastructure - Electricity		2 109	5 892	-	-	-	-	-	-	-
Infrastructure - Water		942	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		250	-	-	-	-	-	-	-	-
Infrastructure		24 279	42 071	29 068	19 988	19 988	19 988	-	-	-
Community		1 199	13 148	1 149	7 750	7 750	7 750	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	20 978	36 179	29 068	19 988	19 988	19 988	-	-	-
Infrastructure - Road transport		25 484	26 081	25 366	21 000	21 000	21 000	-	-	-
Infrastructure - Electricity		942	-	49	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		250	-	155	250	250	250	-	-	-
Infrastructure		47 655	62 260	54 638	41 238	41 238	41 238	-	-	-
Community		1 199	13 148	1 371	10 550	10 550	10 550	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		8 065	15 824	7 007	4 500	4 500	4 500	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	56 918	91 231	63 016	56 288	56 288	56 288	-	-	-
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	543 427	271 480	309 975	248 916	248 916	248 916			
Infrastructure - Electricity		224 929	230 807	235 092	248 817	248 817	248 817			
Infrastructure - Water		956	-	49	9	9	9			
Infrastructure - Sanitation		14 650	13 065	13 065	11 481	11 481	11 481			
Infrastructure - Other		108 840	114 442	114 598	115 492	115 492	115 492			
Infrastructure		892 803	629 795	672 779	624 716	624 716	624 716	-	-	-
Community		43 195	60 601	48 825	68 349	68 349	68 349			
Heritage assets		719	719	719	719	719	719			
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		53 909	48 266	41 982	45 379	45 379	45 379			
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	990 626	739 381	764 305	739 162	739 162	739 162	-	-	-
EXPENDITURE OTHER ITEMS										
<u>Depreciation &amp; asset impairment</u>		48 635	51 423	37 581	49 370	49 370	49 370	-	-	-
<u>Repairs and Maintenance by Asset Class</u>	3	12 834	8 286	6 199	31 934	31 934	31 934	-	-	-
Infrastructure - Road transport		7 542	4 955	2 846	24 657	24 657	24 657	-	-	-
Infrastructure - Electricity		273	1 340	1 468	4 000	4 000	4 000	-	-	-
Infrastructure - Water		511	359	339	350	350	350	-	-	-
Infrastructure - Sanitation		47	19	109	2 000	2 000	2 000	-	-	-
Infrastructure - Other		3	3	-	60	60	60	-	-	-
Infrastructure		8 376	6 677	4 762	31 067	31 067	31 067	-	-	-
Community		27	8	164	93	93	93	-	-	-
Heritage assets		0	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	4 431	1 600	1 273	774	774	774	-	50	-
TOTAL EXPENDITURE OTHER ITEMS		61 469	59 709	43 780	81 304	81 304	81 304	-	-	-
Renewal of Existing Assets as % of total capex		44.8%	60.5%	48.0%	49.3%	49.3%	49.3%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		52.4%	107.4%	80.4%	56.2%	56.2%	56.2%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.3%	1.1%	0.8%	4.6%	4.6%	4.6%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		4.0%	9.0%	5.0%	8.0%	8.0%	8.0%	0.0%	0.0%	0.0%

NW392 Naledi (Nw) - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	-	-	-	-	-	-	22 250	20 000	21 436
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	22 000	14 000	13 196
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	250	-	8 240
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	22 250	14 000	21 436
Community Facilities		-	-	-	-	-	-	-	6 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	6 000	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	15 155	12 161	14 620
Roads Infrastructure		-	-	-	-	-	-	8 000	-	1 500
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	3 000	5 000	5 000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	11 000	5 000	6 500
Community Facilities		-	-	-	-	-	-	-	7 161	8 120
Sport and Recreation Facilities		-	-	-	-	-	-	4 155	-	-
Community Assets		-	-	-	-	-	-	4 155	7 161	8 120
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	8 000	-	1 500
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	25 000	19 000	18 196
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	250	-	8 240
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	33 250	19 000	27 936
Community Facilities		-	-	-	-	-	-	-	13 161	8 120
Sport and Recreation Facilities		-	-	-	-	-	-	4 155	-	-
Community Assets		-	-	-	-	-	-	4 155	13 161	8 120
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		-	-	-	-	-	-	37 405	32 161	36 056
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	-	229 874	202 831	177 289
Roads Infrastructure		-	-	-	-	-	-	-	-	-

**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.



Table 23 MBRR Table A10 - Basic Service Delivery Measurement

NW392 Naledi (Nw) - Table A10 Consolidated basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		11 300	13 300	15 300	17 300	17 300	17 300	-	-	-
Piped water inside yard (but not in dwelling)		240	240	240	240	240	240	-	-	-
Using public tap (at least min.service level)	2	1 700	1 700	1 700	1 700	1 700	1 700	-	-	-
Other water supply (at least min.service level)	4	600	600	600	600	600	600	-	-	-
<i>Minimum Service Level and Above sub-total</i>		13 840	15 840	17 840	19 840	19 840	19 840	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	13 840	15 840	17 840	19 840	19 840	19 840	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		13 000	15 000	15 000	15 000	15 000	15 000	-	-	-
Flush toilet (with septic tank)		420	420	420	420	420	420	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		1 600	1 600	1 600	1 600	1 600	1 600	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		15 020	17 020	17 020	17 020	17 020	17 020	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	15 020	17 020	17 020	17 020	17 020	17 020	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		13 000	15 000	17 000	19 000	19 000	19 000	-	-	-
Electricity - prepaid (min.service level)		4 500	5 500	6 500	7 500	7 500	7 500	-	-	-
<i>Minimum Service Level and Above sub-total</i>		17 500	20 500	23 500	26 500	26 500	26 500	-	-	-
Electricity (< min.service level)		4 800	4 800	4 800	4 800	4 800	4 800	-	-	-
Electricity - prepaid (< min.service level)		3 900	3 900	3 900	3 900	3 900	3 900	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		8 700	8 700	8 700	8 700	8 700	8 700	-	-	-
<b>Total number of households</b>	5	26 200	29 200	32 200	35 200	35 200	35 200	-	-	-
<b>Refuse:</b>										
Removed at least once a week		10 651	12 651	12 651	12 651	12 651	12 651	-	-	-
<i>Minimum Service Level and Above sub-total</i>		10 651	12 651	12 651	12 651	12 651	12 651	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		790	790	790	790	790	790	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		790	790	790	790	790	790	-	-	-
<b>Total number of households</b>	5	11 441	13 441	13 441	13 441	13 441	13 441	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		4 500	5 500	5 300	5 700	5 700	5 700	-	-	-
Sanitation (free minimum level service)		4 500	5 500	5 300	5 700	5 700	5 700	-	-	-
Electricity/other energy (50kwh per household per month)		4 500	5 500	5 300	6 350	6 350	6 350	-	-	-
Refuse (removed at least once a week)		4 500	5 500	5 300	5 850	5 850	5 850	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	7 074	7 074	7 074	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	3 832	3 832	3 832	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	990	990	990	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	5 682	5 682	5 682	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>		-	-	-	17 579	17 579	17 579	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		6	6	6	6	6	6			
Water (kilolitres per household per month)		6	6	6	6	6	6			
Sanitation (kilolitres per household per month)		167	177	177	188	188	188			
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50			
Refuse (average litres per week)		240	240	240	240	240	240			
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		20	20	20	20	20	20			
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-			
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-			
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-			
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-			
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-			
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6	20	20	20	20	20	20	-	-	-

NW392 Naledi (Nw) - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	17 300	17 300	17 300
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	240	240	240
Using public tap (at least min.service level)	2	-	-	-	-	-	-	1 700	1 700	1 700
Other water supply (at least min.service level)	4	-	-	-	-	-	-	600	600	600
<i>Minimum Service Level and Above sub-total</i>								19 840	19 840	19 840
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	19 840	19 840	19 840
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	15 000	15 000	15 000
Flush toilet (with septic tank)		-	-	-	-	-	-	420	420	420
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	1 600	1 600	1 600
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								17 020	17 020	17 020
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	17 020	17 020	17 020
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	19 000	19 000	19 000
Electricity - prepaid (min.service level)		-	-	-	-	-	-	7 500	7 500	7 500
<i>Minimum Service Level and Above sub-total</i>								26 500	26 500	26 500
Electricity (< min.service level)		-	-	-	-	-	-	4 800	4 800	4 800
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	3 900	3 900	3 900
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								8 700	8 700	8 700
<b>Total number of households</b>	5	-	-	-	-	-	-	35 200	35 200	35 200
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								12 651	12 651	12 651
Removed less frequently than once a week		-	-	-	-	-	-	12 651	12 651	12 651
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	790	790	790
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								26 092	26 092	26 092
<b>Total number of households</b>	5	-	-	-	-	-	-	26 092	26 092	26 092
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	5 900	6 000	6 200
Sanitation (free minimum level service)		-	-	-	-	-	-	5 900	6 000	6 200
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	6 500	6 700	7 000
Refuse (removed at least once a week)		-	-	-	-	-	-	5 900	5 950	6 000
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	7 274	7 689	8 119
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	4 078	4 310	4 551
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	1 009	1 066	1 126
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	6 046	6 391	6 755
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>								-	-	-
<b>Total cost of FBS provided</b>								18 406	19 455	20 551
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)								6	6	6
Water (kilolitres per household per month)								6	6	6
Sanitation (kilolitres per household per month)								188	200	212
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)								50	50	50
Refuse (average litres per week)								240	240	240
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								20	20	20
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6							20	20	20

## Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels (below minimum service level), for each of the main services.

## **Plan to address the budget deficit**

<b>1. EMPLOYEE RELATED COSTS</b>					
<b>Strategic Objective</b>	<b>Focus area/ Activities</b>	<b>Classification: Short-Term, Medium Term &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress Report from Feb. to April</b>
<b>Reduction of expenditure by 75%</b>	Overtime	Short-Term Plan	Reduction of Overtime by 75%	All Departments	
	Implementation of Shift System	Short-Term Plan	Implement Shift System from 1 <sup>st</sup> May 2017	All Departments	<b>Implementation commenced in May. Intended to reduce Overtime</b>
	Travel Expense	Short-Term Plan	Review S&T Policies	Corporate Services	<b>To be reviewed by the end of June</b>
	Moratorium on appointments	Medium Term Plan	Extend moratorium on appointments for yet another six (6) months	Municipal Council	<b>Council Resolved on Moratorium on appointment in September 2016. Council will consider extending the resolution on moratorium for yet another six (6) months.</b>
	Employment Contract (i.e. Contract Workers & EPWP)	Short-Medium Term Plan	Terminate all employment contract	All Departments/Human Resource Management	<b>April – May 2017 total contract terminated = 68</b>  <b>Total to be terminated in Dec. = 432</b>
	Car Allowance	Short-Medium Term Plan	Review Car Allowance Scheme	Municipal Council	<b>Policy to be reviewed by the end of June</b>
	Car Allowance	Short Term Plan	Pay Car Allowance only in terms of the adopted policy	BTO	<b>To be implemented at the beginning of June</b>

<b>2. REVENUE</b>					
<b>Strategic Objective</b>	<b>Focus area/Activities</b>	<b>Classification: Short, Medium &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress Report from Feb. to April</b>
<b>Increase Revenue by 75%</b>	Traffic	Short Term	Establish Traffic contravention system	Community Service	Potential service provider submitted proposals. An item will be submitted to Council in June
	Swartfontein & Leon Taljaard	Long Term	Engage into PPP model for Swartfontein	Community Service	Item to be forwarded to Council in June
	Budget	Short Term	Allocate budget to HoDs	BTO	From July in line with MSCOA requirements
	Electricity Sale	Medium to Long Term	Apportioning electricity revenue	BTO	Apportionment of electricity revenue between Eskom & other operational cost
	Fleet Expenditure	Short Term	Regular monitoring of fleet expenditure	Corporate Services	<ul style="list-style-type: none"> <li>All travelling to be pre-approved by the Acting Municipal Manager after assessing the importance of the event.</li> <li>Travelling pre-approval for the MM will be done by the Mayor, for</li> </ul>

					<b>Executive Managers by the Municipal Manager and for other officials by the Executive Managers.</b>
	Electricity Tariffs	Short Term	Review electricity tariffs	BTO	<b>Undertake a study on electricity business (i.e. procurement vs sales)</b>
	illegal electricity connection	Short Term	Investigate illegal electricity connection & disconnect	Technical Services	<b>The activity is engaged on a continuous basis alongside implementation of electricity smart metering</b>
	Smart Meter (Electricity)	Short term	Contract for Smart Metering service ending on December 2017.	Technical Services	<b>Letters to be issued to the service providers for notification of termination by June</b>
	Water & Sanitation	Long term	Installation of new water meters from March 2016	Technical Services	
	Registration for Billing	Long term	Audit of Household occupation and registration for billing	BTO	<b>Conduct a H/H survey and registration for billing purposes from July</b>
	Water Revenue	Short term	Create separate account for Water Revenue	BTO	
	Water leak	Long term	Source	Technical	<b>Applications</b>

	Programmes		funding from DWA for war on water leakages	Service	<b>will be submitted to Department of Water Affairs</b>
	Old Debts & Credits	Short Term Plan	Regular monitoring & management of old debts & credits	BTO	<b>Monitoring is conducted on a continuous basis</b>
	Budget Steering Committee	Short Term Plan	Establishment of Budget Steering Committee	BTO	<b>Established</b>
	Section 71 Report	Short Term Plan	Regular reporting in terms of MFMA Sec. 71 reports	BTO	<b>Sec. 71 report for April 2017 were prepared manually as the trial balance from November to April is not updated.</b>  <b>The reports have been submitted to Provincial &amp; National Treasury for November to March.</b>
	Cash Flow Meetings	Short Term Plan	Convene Cash Flow Management meeting every third (3 <sup>rd</sup> ) week of the month	BTO	<b>Cash Flow Management meeting would commence from June 2017</b>
	Cash Funded budget	Short Medium Term Plan	Approval of cash funded budget	BTO	
	Budget	Short Term	Review of the budget	BOT	<b>SCM, Indigent Policy, Debt and Credit Control Policy, Property Rates By-Laws will be submitted to Council on 31<sup>st</sup></b>

					<b>May 2017</b>
	Regular (Monthly & Quarterly) Reporting	Short Term	Tabling of regular report	BOT	
	Expenditure	Short Term Plan	Regular monitoring on expenditure	BTO	<b>Monthly vehicle reports are submitted to various Departments where a thorough analysis is being conducted.</b>
<b>3. ENSURE PROPER BILLING</b>					
<b>Strategic Objective</b>	<b>Focus area/Activities</b>	<b>Classification: Short, Medium &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress report from Feb. to April</b>
	Valuation Roll		Review of Valuation Roll	BTO	<b>Process for</b>
	Property verification	Short Term Plan	Physical verification of property	BTO	
	Rates policy	Short Term Plan	Review and enforcement of rates policy	BTO	<b>Property rates By-Laws to be submitted for approval by Council on 31<sup>st</sup> May 2017. The rates section will also start with debt collection process as from 29<sup>th</sup> May 2017.</b>
	Budget adjustment	Short Term	Budget adjustment	BTO	<b>To be submitted to Council May 2017</b>
	MSCOA Compliant	Short Term	Progress report on MSCOA	BTO	<b>Refer to MSCOA report submitted to Council</b>
	Indigent Policy	Short Term	Review of Indigent Policy	BTO	<b>The Policy is being presented to Council due to sit on 31<sup>st</sup> May 2017. The threshold to be approved by Council</b>



<b>4. HUMAN RESOURCES MANAGEMENT</b>					
<b>Strategic Objective</b>	<b>Focus area/ Activities</b>	<b>Classification: Short, Medium &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress report from Feb. to April</b>
	Section 56 Managers		Assessment of Section 56 Managers		
	Performance Agreement		Sign Performance Agreement with Sec. 56 Managers		
	HR Policies		Review HR Policies: Recruitment & Selection, Overtime and Vehicle Allowance		
	Contract Management		Monitoring of Contract Management		
	Organisational Design		Review Organisational Structure in line with Powers & Functions		
	Job Description		Finalisation and review of assessment on Job Description		
	Staff Attrition		Retrenchment of both incapacity and above 60 years employees		
	Conducive Work Environment		Convene consultative meetings with labour (Local Labour		

			Forum)		
	Departmental Meetings		Convene regular Departmental meetings (Monthly)		
<b>5. INFORMATION COMMUNICATION TECHNOLOGY</b>					
<b>Strategic Objectives</b>	<b>Focus area/ Activities</b>	<b>Classification: Short, Medium &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress report from Feb. to April</b>
	ICT Promotion		Provide uninterrupted ICT		
	Asset Register		Development of IT asset register		
	IT Policy		Review of IT policy		
	IT Contract		Review IT contract		
<b>6. RISK MANAGEMENT</b>					
<b>Strategic Objectives</b>	<b>Focus area/ Activities</b>	<b>Classification: Short, Medium &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress report from Feb. to April</b>
	Management of Risk		Reduction and Management of Risk		
<b>7. FLEET MANAGEMENT</b>					
<b>Strategic Objectives</b>	<b>Focus area/ Activities</b>	<b>Classification: Short, Medium &amp; Long Term</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress report from Feb. to April</b>
	Fleet Management Programme	Short Term	Allocate fleet & operational		
	Augmentation of Fleet	Long Term	Outsourcing Fleet		
<b>8. ALTERNATIVE ENERGY</b>					
<b>Strategy Objectives</b>	<b>Focus area/Activities</b>	<b>Classification: Short, Medium &amp;</b>	<b>Activity</b>	<b>Responsible Department</b>	<b>Progress report from Feb. to April</b>

		Long Term			
	Energy		Investment on alternative energy for municipal buildings		

## Part 2

# OTHER SUPPORTING INFORMATION

## **2.1 Overview of the Annual Budget Process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager, senior officials, executive committee members, Finance and Corporate Portfolio councillors of the municipality meeting under the chairpersonship of the Mayor. The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### **2.1.1 The Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and Budget Time schedule on 31 August 2016 and the schedule with key deadlines was approved by council during that meeting.

### **2.1.2 Community Consultation on the Draft Budget**

The draft 2017/18 MTREF, will be tabled during a Special Council meeting dated 31 March 2017 whereby community members were present. The draft budget document is further made available on the municipal website: [www.naledilocal.gov.za](http://www.naledilocal.gov.za). Furthermore, a Mayoral Roadshow on the budget will be held from 02-18 May 2017 to seek the community inputs on the budget. Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects will be

considered by the Budget Steering Committee at a meeting to be held between 24 May 2017 after which the budget will be approved by Council on or before the 31 May 2017.

### **2.1.3 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:-

- Registration of community needs;
- Compilation of departmental business plans with key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF, based on the approved 2016/2017 MTREF, mid-year review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/2018 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

## 2.2 Overview of Alignment of the Annual Budget with the IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area.

The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality

must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2017/18

MTREF and further planning refinements that have directly informed the compilation of the budget:

Table below presents the reconciliation of the IDP Strategic Objectives. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables MBRR Tables SA4-SA6 as outlined in Table below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

NW392 Naledi (Nw) - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Administration & Labour Matters				885	755	4 760	5 102	5 102	5 102			
Financial Management and Administrative Capacity				88 508	102 274	143 298	116 874	116 874	116 874			
Service Delivery				181 885	258 098	226 599	282 510	282 510	282 510			
Governance, Public Participation & Intergovernmental Relations				57 716	32 184	–	10 000	10 000	10 000			
Local Economic Development												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	328 994	393 311	374 658	414 486	414 486	414 486	–	–	–

NW392 Naledi (Nw) - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

NW392 Naledi (Nw) - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Administration & Labour Matters										610	645	681
Financial Management and Administrative Capacity										110 401	117 940	124 586
Service Delivery										261 736	263 937	281 021
Governance, Public Participation & Intergovernmental Relations										10 000	-	-
Local Economic Development												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	382 747	382 521	406 288



NW392 Naledi (Nw) - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Administration & Labour Matters				21 149	28 890	27 976	28 625	28 625	28 625			
Financial Management and Administrative Capacity				47 000	58 223	76 015	30 481	30 481	30 481			
Service Delivery				279 695	273 606	285 335	313 485	313 485	313 485			
Governance, Public Participation & Intergovernmental Relations				24 035	325 407	28 702	27 912	27 912	27 912			
Local Economic Development				–	–	–	3 596	3 596	3 596			

NW392 Naledi (Nw) - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Administration & Labour Matters										29 779	31 196	32 924
Financial Management and Administrative Capacity										47 809	48 407	51 117
Service Delivery										294 469	298 782	314 188
Governance, Public Participation & Intergovernmental Relations										31 664	27 661	29 143
Local Economic Development										1 671	1 611	1 693
Allocations to other priorities												
Total Expenditure			1	-	-	-	-	-	-	405 393	407 657	429 065

NW392 Naledi (Nw) - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Administration & Labour Matters		A		731	590	4 594	4 500	4 500	4 500			
Financial Management and Administrative Capacity		B		1 282	8	40						
Service Delivery		C		54 733	90 333	58 359	51 788	51 788	51 788			
Governance, Public Participation & Intergovernmental Relations		D		171	301	24	–	–	–			
Local Economic Development		E		–	–	–	–	–	–			
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	56 918	91 231	63 016	56 288	56 288	56 288	–	–	–

NW392 Naledi (Nw) - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Administration & Labour Matters		A										
Financial Management and Administrative Capacity		B										
Service Delivery		C								37 405	26 161	36 056
Governance, Public Participation & Intergovernmental Relations		D										
Local Economic Development		E										
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	37 405	26 161	36 056

## 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has

developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

NW392 Naledi (Nw) - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Vote 1 - Municipal roads &amp; Storm Water</b>										
<b>Function 1 - ( Roads)</b>										
<b>Sub-function 1 - (Gravel roads)</b>										
27 km of gravel roads to be regavelled	KM	27.0%	35.0%	5.0%	5.0%	5.0%	5.0%			
<b>Sub-function 2 - (upgrading )</b>										
Upgrading of gravel roads to paved roads	km	0.0%	10.0%	6.0%	9.0%	9.0%	9.0%			
18										
<b>Sub-function 3 - (reseal paved roads)</b>										
patching of potholes and reseal damaged	km	12.0%	15.0%	4.0%	2.0%	2.0%	2.0%			
<b>Function 2 - (Storm Water)</b>										
<b>Sub-function 1 - (channels)</b>										
cleaning and repair of storm water channels	M	54.0%	48.0%	2.0%	3.0%	3.0%	3.0%			
7000										
<b>Sub-function 2 - (open channels)</b>										
installing new open channels										
4000	M	24.0%	23.0%	0.0%	0.0%	0.0%	0.0%			
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Vote 2 - Electrical generation and</b>										
<b>Function 1 - (Bulk network)</b>										
<b>Sub-function 1 - (Bulk Lines )</b>										
upgrading of bulk networks										
14	km	29.0%	49.0%	0.0%	2.0%	2.0%	2.0%			
<b>Sub-function 2 - Transformers</b>										
Purification of transformers										
283	numbers	43.0%	48.0%	0.0%	10.0%	10.0%	10.0%			
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Function 2 - (Distribution)</b>										
<b>Sub-function 1 - (low tension)</b>										
Upgrading of low tension net work										
43	KM	45.0%	20.0%	0.6%	10.0%	10.0%	10.0%			
<b>Sub-function 2 - (community lighting)</b>										
install new and repair street lights and										
769	number	30.0%	40.0%	50.0%	350.0%	350.0%	350.0%			
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Vote 3 - Water and sanitation</b>										
<b>Function 1 - (Water)</b>										
<b>Sub-function 1 - (bore holes)</b>										
refurbish and equip boreholes										
19	number	40.0%	20.0%	8.0%	10.0%	10.0%	10.0%			
<b>Sub-function 2 - (bulk lines rasevors)</b>										
Upgrade and install bulk distribution lines										
78	km	22.0%	20.0%							
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
20 bulk meters				20.0%	27.0%	27.0%	27.0%			
<b>Function 2 - (sunitation)</b>										
<b>sewer palant</b>										
upgrading of sewer plant and oxidation ponds										
2	number	20.0%	20.0%	20.0%	1.0%	1.0%	1.0%			
<b>Sub-function 2 - (distribution lines vip)</b>										
upgrading of distribution line and maintainance		35.0%	37.0%							
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>And so on for the rest of the Votes</b>										

NW392 Naledi (Nw) - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Vote 1 - Municipal roads &amp; Storm Water</b>										
<b>Function 1 - ( Roads)</b>										
<b>Sub-function 1 - (Gravel roads)</b>										
27 km of gravel roads to be regravelled	KM							5.0%	10.0%	12.0%
<b>Sub-function 2 - (upgrading )</b>										
Upgrading of gravel roads to paved roads	km							9.0%	0.0%	7.0%
18										
<b>Sub-function 3 - (reseal paved roads)</b>										
patching of potholes and reseal damaged	km							2.0%	4.0%	6.0%
<b>Function 2 - (Storm Water)</b>										
<b>Sub-function 1 - (channels)</b>										
cleaning and repair of storm water channels	M							3.0%	4.0%	4.0%
7000										
<b>Sub-function 2 - (open channels)</b>										
installing new open channels										
4000	M							0.0%	2.0%	1.0%
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Vote 2 - Electrical generation and</b>										
<b>Function 1 - (Bulk network)</b>										
<b>Sub-function 1 - (Bulk Lines )</b>										
upgrading of bulk networks										
14	km							2.0%	5.0%	2.0%
<b>Sub-function 2 - Transformers</b>										
Purification of transformers										
283	numbers							10.0%	5.0%	2.0%
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Function 2 - (Distribution)</b>										
<b>Sub-function 1 - (low tension</b>										
Upgrading of low tension net work										
43	KM							10.0%	5.0%	7.0%
<b>Sub-function 2 - (community lighting)</b>										
install new and repair street lights and										
769	number							350.0%	200.0%	101.0%
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Vote 3 - Water and sanitation</b>										
<b>Function 1 - (Water)</b>										
<b>Sub-function 1 - (bore holes)</b>										
refurbish and equip boreholes										
19	number							10.0%	0.0%	0.0%
<b>Sub-function 2 - (bulk lines rasevors)</b>										
Upgrade and install bulk distribution lines										
78	km									
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
20 bulk meters								27.0%		
<b>Function 2 - (sanitation)</b>										
<b>sewer palant</b>										
upgrading of sewer plant and oxidation ponds										
2	number							1.0%		
<b>Sub-function 2 - (distribution lines vip</b>										
upgrading of distribution line and maintainance										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>And so on for the rest of the Votes</b>										

## 2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks. Additional to the MFMA and the Municipal Budget and Reporting Regulations, the following policies are used to guide the budget process:-

### **2.4.1 Asset Management Policy**

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

### **2.4.2 Budget Policy**

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### **2.4.3 Supply Chain Management Policy**

The revised SCM Policy which incorporates the new PPPFA regulations will be tabled to the Council meeting together with this draft budget.

### **2.4.4 Investment & Cash Management Policy**

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

The effects of recession are still evident. After a protracted hike in the interest rates, this increased recently. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

### **2.5.2 General inflation outlook and its impact on the municipal activities**



There are five key factors that have been taken into consideration in the compilation of the 2017/18 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration.

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

### **2.5.4 Growth or decline in tax base of the municipality**

Lack of revenue collection sources for the municipality being one critical concerning point especially in Huhudi where Eskom provides electricity and the municipality has no leverage when doing debt collection. The municipality is 74% own revenue collection and 24% grants dependent.

### **2.5.5 Salary increases**

Salary increases were based on the proposed increase as per the MFMA budget circular.

### **2.5.6 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### 2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2017/18 MTREF.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

Revenue from services charges, property rates, rental of facilities and equipment, interest earned-outstanding debtors and investment, fines, licences and permits and other revenue contributes marginally to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

NW392 Naledi (Nw) - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	29 587	34 342	36 776	45 195	45 195	45 195	45 195	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	83 529	97 549	114 197	141 493	141 493	141 493	141 493	-	-	-
Service charges - water revenue	2	22 480	13 707	14 479	30 356	30 356	30 356	30 356	-	-	-
Service charges - sanitation revenue	2	13 969	14 439	15 441	18 480	18 480	18 480	18 480	-	-	-
Service charges - refuse revenue	2	13 670	14 258	14 565	17 128	17 128	17 128	17 128	-	-	-
Service charges - other											
Rental of facilities and equipment		1 116	738	807	944	944	944	944			
Interest earned - external investments		575	235	402	308	308	308	308			
Interest earned - outstanding debtors		11 406	13 504	16 555	16 200	16 200	16 200	16 200			
Dividends received											
Fines		1 855	1 481	977	933	933	933	933			
Licences and permits		5 872	6 935	6 569	5 978	5 978	5 978	5 978			
Agency services		-	-	-							
Transfers recognised - operational		55 907	63 628	57 942	67 240	67 240	67 240	67 240			
Other revenue	2	41 697	35 134	46 978	3 942	3 942	3 942	3 942	-	-	-
Gains on disposal of PPE		-	2 946	186	10 000	10 000	10 000	10 000			
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>281 662</b>	<b>298 896</b>	<b>325 873</b>	<b>358 198</b>	<b>358 198</b>	<b>358 198</b>	<b>358 198</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	47 231	49 923	52 719
Service charges - electricity revenue	2	-	-	-	-	-	-	-	146 653	155 013	163 693
Service charges - water revenue	2	-	-	-	-	-	-	-	26 582	28 098	29 671
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	19 750	19 413	20 569
Service charges - refuse revenue	2	-	-	-	-	-	-	-	18 242	17 834	18 917
Service charges - other											
Rental of facilities and equipment									1 006	1 063	1 122
Interest earned - external investments									358	378	400
Interest earned - outstanding debtors									17 200	18 180	19 199
Dividends received											
Fines, penalties and forfeits									1 097	1 160	1 225
Licences and permits									3 208	3 391	3 581
Agency services											
Transfers and subsidies									48 911	50 560	53 433
Other revenue	2	-	-	-	-	-	-	-	4 303	4 548	4 803
Gains on disposal of PPE									10 000		
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	<b>344 542</b>	<b>349 560</b>	<b>369 332</b>

The rates and taxes tariff increase proposed for the draft budget are in line with the National Treasury recommended CPI % increased and are as follows:

					Final budget 2017/18 R '000	Indicative budget 2018/19 R '000	Indicative budget 2019/20 R '000
Property rates -Government					0.00%	0.00%	0.00%
Property rates					6.40%	5.70%	5.60%
Service charges - electricity revenue					1.88%	5.70%	5.60%
Service charges - water revenue					6.40%	5.70%	5.60%
Service charges - sanitation revenue					6.40%	5.70%	5.60%
Service charges - refuse revenue					6.40%	5.70%	5.60%
Other charges					6.40%	5.70%	5.60%

## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

Capital grants and receipts equates to 100 per cent of the total funding source which represents R37,4 million for the 2017/18 financial year.

The municipality did not raise new loans, however, the municipality is still servicing old loans from the DBSA and Remote Metering Services for implementation of smart meter programme in Stella.

NW392 Naledi (Nw) - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funded by:</b>											
National Government		25 414	54 244	55 805	51 788	51 788	51 788	51 788			
Provincial Government											
District Municipality		15 326	12 096	4 550	4 500	4 500	4 500	4 500			
Other transfers and grants											
Transfers recognised - capital	4	40 740	66 340	60 355	56 288	56 288	56 288	56 288	-	-	-
Public contributions & donations	5	8 216	18 512								
Borrowing	6										
Internally generated funds		7 963	6 379	2 661							
<b>Total Capital Funding</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funded by:</b>											
National Government									37 405	32 161	36 056
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	37 405	32 161	36 056
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
<b>Total Capital Funding</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37 405</b>	<b>32 161</b>	<b>36 056</b>

NW392 Naledi (Nw) - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - ADMINISTRATION & CORPORATE SERVICES		731	590	4 594	4 500	4 500	4 500	4 500	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		1 282	8	40	-	-	-	-	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		2 765	14 185	2 478	10 800	10 800	10 800	10 800	-	-	-
Vote 4 - TECHNICAL SERVICES		51 969	76 147	55 881	40 988	40 988	40 988	40 988	-	-	-
Vote 5 - MUNICIPAL MANAGER		171	301	24	-	-	-	-	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Single-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - ADMINISTRATION & CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE MANAGEMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 6 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>2 185</b>	<b>899</b>	<b>4 657</b>	<b>4 500</b>	<b>4 500</b>	<b>4 500</b>	<b>4 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive and council		171	301	24	-	-	-	-	-	-	-
Budget and treasury office		1 282	8	40	-	-	-	-	-	-	-
Corporate services		731	590	4 594	4 500	4 500	4 500	4 500	-	-	-
<b>Community and public safety</b>		<b>2 498</b>	<b>14 184</b>	<b>2 277</b>	<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		302	105	641	4 930	4 930	4 930	4 930	-	-	-
Sport and recreation		2 168	13 368	1 320	5 620	5 620	5 620	5 620	-	-	-
Public safety		25	710	317	-	-	-	-	-	-	-
Housing		3	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>24 484</b>	<b>41 292</b>	<b>29 320</b>	<b>19 988</b>	<b>19 988</b>	<b>19 988</b>	<b>19 988</b>	<b>-</b>	<b>-</b>	<b>-</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		24 484	41 292	29 320	19 988	19 988	19 988	19 988	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>27 752</b>	<b>34 857</b>	<b>26 761</b>	<b>21 250</b>	<b>21 250</b>	<b>21 250</b>	<b>21 250</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity		25 758	34 779	25 366	21 000	21 000	21 000	21 000	-	-	-
Water		952	69	1 181	-	-	-	-	-	-	-
Waste water management		775	7	14	-	-	-	-	-	-	-
Waste management		266	1	201	250	250	250	250	-	-	-
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funded by:</b>											
National Government		25 414	54 244	55 805	51 788	51 788	51 788	51 788	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		15 326	12 096	4 550	4 500	4 500	4 500	4 500	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>40 740</b>	<b>66 340</b>	<b>60 355</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>8 216</b>	<b>18 512</b>								
<b>Borrowing</b>	<b>6</b>										
Internally generated funds		7 963	6 379	2 661	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>7</b>	<b>56 918</b>	<b>91 231</b>	<b>63 016</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>56 288</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	4 155	7 161	8 120
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	250	-	8 240
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	33 000	19 000	19 696
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	<b>37 405</b>	<b>26 161</b>	<b>36 056</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	<b>37 405</b>	<b>26 161</b>	<b>36 056</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-
Executive and council											
Finance and administration											
Internal audit											
<b>Community and public safety</b>		-	-	-	-	-	-	-	<b>4 155</b>	<b>13 161</b>	<b>8 120</b>
Community and social services										13 161	8 120
Sport and recreation									4 155		
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	<b>8 000</b>	-	<b>1 500</b>
Planning and development											
Road transport									8 000		1 500
Environmental protection											
<b>Trading services</b>		-	-	-	-	-	-	-	<b>25 250</b>	<b>19 000</b>	<b>26 436</b>
Energy sources									25 000	19 000	18 196
Water management											
Waste water management											
Waste management									250		8 240
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	-	-	-	-	-	<b>37 405</b>	<b>32 161</b>	<b>36 056</b>
<b>Funded by:</b>											
National Government									37 405	32 161	36 056
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	-	-	-	-	-	<b>37 405</b>	<b>32 161</b>	<b>36 056</b>
<b>Public contributions &amp; donations</b>	<b>5</b>										
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>											
<b>Total Capital Funding</b>	<b>7</b>	-	-	-	-	-	-	-	<b>37 405</b>	<b>32 161</b>	<b>36 056</b>

## 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.

NW392 Naledi (Nw) - Table A7 Consolidated Budgeted Cash Flows

NW392 Naledi (NW) - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		18 190	43 581	23 385	41 929	41 929	41 929	41 929	-	-	-
Service charges		156 083	141 513	159 007	190 745	190 745	190 745	190 745	-	-	-
Other revenue		21 525	(34 936)	55 331	11 798	11 798	11 798	11 798	-	-	-
Government - operating	1	55 907	63 628	62 492	67 240	67 240	67 240	67 240	-	-	-
Government - capital	1	26 007	64 508	44 234	56 288	56 288	56 288	56 288	-	-	-
Interest		11 981	13 739	16 957	16 508	16 508	16 508	16 508	-	-	-
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(243 858)	(197 406)	(252 843)	(348 639)	(348 639)	(348 639)	(348 639)	-	-	-
Finance charges		(15 974)	(22 136)	(33 512)	(2)	(2)	(2)	(2)	-	-	-
Transfers and Grants	1	(599)	(14 398)	(1 998)	(1 107)	(1 107)	(1 107)	(1 107)	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>29 262</b>	<b>58 092</b>	<b>73 053</b>	<b>34 760</b>	<b>34 760</b>	<b>34 760</b>	<b>34 760</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		1 500	2 160	504	10 000	10 000	10 000	10 000	-	-	-
Decrease (Increase) in non-current debtors					15 800	15 800	15 800	15 800	-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(35 382)	(59 695)	(54 759)	(56 288)	(56 288)	(56 288)	(56 288)	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(33 882)</b>	<b>(57 535)</b>	<b>(54 255)</b>	<b>(30 488)</b>	<b>(30 488)</b>	<b>(30 488)</b>	<b>(30 488)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing			(731)	(1 500)	(3 600)	(3 600)	(3 600)	(3 600)	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(731)</b>	<b>(1 500)</b>	<b>(3 600)</b>	<b>(3 600)</b>	<b>(3 600)</b>	<b>(3 600)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 620)</b>	<b>(174)</b>	<b>17 298</b>	<b>672</b>	<b>672</b>	<b>672</b>	<b>672</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash/cash equivalents at the year begin:	2	6 079	1 459	1 285	1 285	1 285	1 285	1 285	-	-	-
Cash/cash equivalents at the year end:	2	1 459	1 285	18 583	1 957	1 957	1 957	1 957	-	-	-

NW392 Naledi (Nw) - Table A7 Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									35 423	37 442	39 539
Service charges									158 421	165 268	174 638
Other revenue									9 614	10 162	10 731
Government - operating	1								48 911	50 560	53 433
Government - capital	1								38 205	32 961	36 956
Interest									358	378	400
Dividends									-	-	-
Payments											
Suppliers and employees									(333 356)	(380 011)	(405 591)
Finance charges									(15 772)	(16 671)	(17 604)
Transfers and Grants	1								(245)	(303)	(312)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	(58 441)	(100 214)	(107 811)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets									(37 405)	(32 161)	(36 056)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(37 405)	(32 161)	(36 056)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									(5 835)	(5 835)	(5 835)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	(5 835)	(5 835)	(5 835)
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	-	-	-	-	(101 681)	(138 210)	(149 702)
Cash/cash equivalents at the year begin:	2								25 500	(76 181)	(214 391)
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)

## 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

Table below, MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation below meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year? • How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded' It is also important to analyse trends to understand the consequences. Small cash surpluses have been realised over the past three years, which is inevitably utilised to finance operations. No meaningful growth in cash has occurred. The working capital has to be optimally managed.



NW392 Naledi (Nw) - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	1 459	1 285	18 583	1 957	1 957	1 957	1 957	-	-	-
Other current investments > 90 days		0	-	-	8 714	8 714	8 714	8 714	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>1 459</b>	<b>1 285</b>	<b>18 583</b>	<b>10 671</b>	<b>10 671</b>	<b>10 671</b>	<b>10 671</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	220 408	291 653	357 425	326 597	326 597	326 597	326 597	-	-	-
Other provisions		6 062	9 013	9 521	9 608	9 608	9 608	9 608			
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>226 470</b>	<b>300 666</b>	<b>366 946</b>	<b>336 205</b>	<b>336 205</b>	<b>336 205</b>	<b>336 205</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall)</b>		<b>(225 011)</b>	<b>(299 381)</b>	<b>(348 364)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>(325 534)</b>	<b>-</b>	<b>-</b>	<b>-</b>

NW392 Naledi (Nw) - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76 181)</b>	<b>(214 391)</b>	<b>(364 093)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	390 528	412 419	435 513
Other provisions									10 131	10 698	11 297
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400 658</b>	<b>423 117</b>	<b>446 810</b>
<b>Surplus(shortfall)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(476 839)</b>	<b>(637 508)</b>	<b>(810 904)</b>

## 2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

NW392 Naledi (Nw) Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 459	1 285	18 583	1 957	1 957	1 957	1 957	–	–	–
Cash + investments at the yr end less applications - R'000	18(1)b	2	(225 011)	(299 381)	(348 364)	(325 534)	(325 534)	(325 534)	(325 534)	–	–	–
Cash year end/monthly employee/supplier payments	18(1)b	3	0.1	0.0	0.6	0.1	0.1	0.1	0.1	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(42 886)	(292 815)	(43 369)	10 388	10 388	10 388	10 388	–	–	–
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.8%	6.1%	23.3%	(6.0%)	(6.0%)	(6.0%)	(106.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	87.0%	64.7%	88.9%	87.1%	87.1%	87.1%	87.1%	0.0%	0.0%	0.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	25.1%	17.3%	21.0%	8.2%	8.2%	8.2%	8.2%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	62.2%	65.4%	86.9%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	16.8%	0.5%	47.3%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.3%	1.1%	0.8%	4.6%	4.6%	4.6%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	44.8%	60.5%	48.0%	49.3%	49.3%	49.3%	0.0%	0.0%	0.0%	0.0%

NW392 Naledi (Nw) Supporting Table SA10 Funding measurement

NW332 Rateb (NW) Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	-	-	-	-	(76 181)	(214 391)	(364 093)
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	-	-	-	-	(476 839)	(637 508)	(810 904)
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	-	-	-	-	(2.8)	(7.7)	(12.3)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	-	-	-	-	(22 646)	(25 136)	(22 777)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(1.4%)	(0.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	71.3%	71.3%	71.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%	5.8%	5.8%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	122.9%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%	5.6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.2%	2.5%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.5%	46.5%	40.5%

## 2.7 Expenditure on grants and reconciliations of unspent funds

NW392 Naledi (Nw) - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		38 051	41 079	44 220	44 710	44 024	44 024	-	-	-
Local Government Equitable Share		34 611	36 699	39 619	41 201	39 618	39 618			
Finance Management		1 550	1 600	1 600	1 625	1 600	1 600			
Municipal Systems Improvement		890	934	930		930	930			
EPWP Incentive		1 000	1 846	1 876	1 884	1 876	1 876			
Other transfers/grants [insert description]				195						
<b>Provincial Government:</b>		530	-	1 450	530	530	530	-	-	-
Sport and Recreation		530		1 450	530	530	530			
Other transfers/grants [insert description]										
<b>District Municipality:</b>		17 269	19 168	16 821	22 000	22 000	22 000	-	-	-
Dr Ruth Segkomotsi		17 269	19 168	16 821	22 000	22 000	22 000			
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants</b>		55 850	60 247	62 492	67 240	66 554	66 554	-	-	-
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		35 392	50 965	44 288	51 788	51 788	51 788	-	-	-
Municipal Infrastructure Grant (MIG)		22 379	30 051	28 231	16 204	16 204	16 204			
Integrated National Electrification Programme		13 013	8 000	8 971	18 000	18 000	18 000			
Department of Energy Grant (SANEDI) for Smart Meters			12 914	7 086						
MIG Roll Over anticipated					17 584	17 584	17 584			
<b>Provincial Government:</b>		-	700	-	-	-	-	-	-	-
Sport and Recreation			700							
<b>District Municipality:</b>		-	-	-	4 500	4 500	4 500	-	-	-
Dr Ruth Segkomotsi					4 500	4 500	4 500			
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		35 392	51 665	44 288	56 288	56 288	56 288	-	-	-
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		91 242	111 911	106 780	123 528	122 842	122 842	-	-	-

NW392 Naledi (Nw) - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	47 431	49 030	51 817
Local Government Equitable Share								43 507	47 075	49 602
Finance Management								1 700	1 955	2 215
EPWP Incentive								2 224		
<b>Other transfers/grants [insert description]</b>										
<b>Provincial Government:</b>		-	-	-	-	-	-	1 480	1 530	1 616
Sport and Recreation								1 480	1 530	1 616
<b>Other transfers/grants [insert description]</b>										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants</b>		-	-	-	-	-	-	48 911	50 560	53 433
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	38 205	32 961	36 956
Municipal Infrastructure Grant (MIG)								17 205	17 961	18 760
<b>INEP and EEDSM</b>								21 000	15 000	18 196
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	38 205	32 961	36 956
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	87 116	83 521	90 389

NW392 Naledi (Nw) - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		38 051	41 079	41 079	44 710	44 710	44 710			
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		38 051	41 079	41 079	44 710	44 710	44 710			
Provincial Government:										
Balance unspent at beginning of the year		214	497	497						
Current year receipts		530			530	530	530			
Conditions met - transferred to revenue		497	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		247	497	497	530	530	530			
District Municipality:										
Balance unspent at beginning of the year		3 700	2 495	2 495						
Current year receipts		17 269	19 168	19 168	22 000	22 000	22 000			
Conditions met - transferred to revenue		2 495	265	265	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		18 474	21 398	21 398	22 000	22 000	22 000			
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		2 993	265	265	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	56 772	62 974	62 974	67 240	67 240	67 240	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		2	16 708	16 708	17 584	17 584	17 584			
Current year receipts		41 251	50 051	50 051	34 204	34 204	34 204			
Conditions met - transferred to revenue		16 708	2 951	2 951	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		24 545	63 808	63 808	51 788	51 788	51 788			
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		700								
Conditions met - transferred to revenue		700	(700)	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			700							
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts					4 500	4 500	4 500			
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities					4 500	4 500	4 500			
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		17 408	2 251	2 951	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	24 545	64 508	63 808	56 288	56 288	56 288	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		20 401	2 516	3 216	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		81 316	127 482	126 782	123 528	123 528	123 528	-	-	-

NW392 Naledi (Nw) - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts								47 431	49 030	51 817
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities								47 431	49 030	51 817
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts								1 480	1 530	1 616
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities								1 480	1 530	1 616
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	48 911	50 560	53 433
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts								38 205	32 961	36 956
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities								38 205	32 961	36 956
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	38 205	32 961	36 956
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	87 116	83 521	90 389

## 2.8 Councillor and employee benefits

NW392 Naledi (Nw) - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		2 984	3 543	3 543	4 028	4 028	4 028			
Pension and UIF Contributions		439	438	438	604	604	604			
Medical Aid Contributions										
Motor Vehicle Allowance		583	858	858	1 007	1 007	1 007			
Cellphone Allowance		395	397	397	417	417	417			
Housing Allowances		1 455	992	992	1 074	1 074	1 074			
Other benefits and allowances			61	61	71	71	71			
<b>Sub Total - Councillors</b>		<b>5 856</b>	<b>6 288</b>	<b>6 288</b>	<b>7 202</b>	<b>7 202</b>	<b>7 202</b>	-	-	-
<b>% increase</b>	4		<b>7.4%</b>	-	<b>14.5%</b>	-	-	<b>(100.0%)</b>	-	-
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 361	3 698	3 698	4 090	4 090	4 090			
Pension and UIF Contributions		435	606	606	745	745	745			
Medical Aid Contributions			70	70	105	105	105			
Overtime										
Performance Bonus					954	954	954			
Motor Vehicle Allowance	3	918	1 196	1 196	1 023	1 023	1 023			
Cellphone Allowance	3		43	43	-	-	-			
Housing Allowances	3		510	510	591	591	591			
Other benefits and allowances	3	116	102	102	340	340	340			
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 831</b>	<b>6 225</b>	<b>6 225</b>	<b>7 850</b>	<b>7 850</b>	<b>7 850</b>	-	-	-
<b>% increase</b>	4		<b>28.9%</b>	-	<b>26.1%</b>	-	-	<b>(100.0%)</b>	-	-
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		71 204	83 198	83 198	96 197	96 197	96 197			
Pension and UIF Contributions		17 543	14 407	14 407	15 738	15 738	15 738			
Medical Aid Contributions			5 403	5 403	8 214	8 214	8 214			
Overtime		6 428	7 794	7 794	8 127	8 127	8 127			
Performance Bonus					-	-	-			
Motor Vehicle Allowance	3	7 504	9 075	9 075	10 364	10 364	10 364			
Cellphone Allowance	3		190	190	317	317	317			
Housing Allowances	3	636	165	165	1 201	1 201	1 201			
Other benefits and allowances	3	9 382	9 621	9 621	10 908	10 908	10 908			
Payments in lieu of leave					-	-	-			
Long service awards		814	752	752	1 493	1 493	1 493			
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		<b>113 511</b>	<b>130 605</b>	<b>130 605</b>	<b>152 560</b>	<b>152 560</b>	<b>152 560</b>	-	-	-
<b>% increase</b>	4		<b>15.1%</b>	-	<b>16.8%</b>	-	-	<b>(100.0%)</b>	-	-
<b>Total Parent Municipality</b>		<b>124 198</b>	<b>143 117</b>	<b>143 117</b>	<b>167 611</b>	<b>167 611</b>	<b>167 611</b>	-	-	-
			<b>15.2%</b>	-	<b>17.1%</b>	-	-	<b>(100.0%)</b>	-	-

NW392 Naledi (Nw) - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages								4 262	4 505	4 757
Pension and UIF Contributions								639	676	714
Medical Aid Contributions										
Motor Vehicle Allowance								1 066	1 126	1 189
Cellphone Allowance								456	482	509
Housing Allowances								1 137	1 201	1 269
Other benefits and allowances								76	80	84
<b>Sub Total - Councillors</b>								7 635	8 070	8 522
<b>% increase</b>	4	-	-	-	-	-	-	-	5.7%	5.6%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages								4 104	4 337	4 580
Pension and UIF Contributions								748	790	834
Medical Aid Contributions								116	123	130
Overtime									-	-
Performance Bonus								957	1 012	1 069
Motor Vehicle Allowance	3							1 026	1 084	1 145
Cellphone Allowance	3								-	-
Housing Allowances	3							583	616	650
Other benefits and allowances	3							341	361	381
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>								7 875	8 324	8 790
<b>% increase</b>	4	-	-	-	-	-	-	-	5.7%	5.6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages								100 695	106 434	112 395
Pension and UIF Contributions								16 511	17 452	18 430
Medical Aid Contributions								7 997	8 453	8 927
Overtime								2 502	2 645	2 793
Performance Bonus									-	-
Motor Vehicle Allowance	3							12 623	13 343	14 090
Cellphone Allowance	3							356	376	397
Housing Allowances	3							1 240	1 310	1 384
Other benefits and allowances	3							17 415	18 407	19 438
Payments in lieu of leave									-	-
Long service awards								1 766	1 867	1 971
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>								161 105	170 288	179 824
<b>% increase</b>	4	-	-	-	-	-	-	-	5.7%	5.6%
<b>Total Parent Municipality</b>								176 615	186 682	197 136
								-	5.7%	5.6%



**NW392 Naledi (Nw) - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

<b>Disclosure of Salaries, Allowances &amp; Benefits 1.</b>	<b>Ref</b>	<b>No.</b>	<b>Salary</b>	<b>Contributions</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>In-kind benefits</b>	<b>Total Package</b>
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		385 677	64 507	222 066			672 251
Chief Whip								-
Executive Mayor			482 096	80 577	271 883			834 556
Deputy Executive Mayor								-
Executive Committee			1 807 862	181 470	1 713 554			3 702 886
Total for all other councillors			1 586 569	388 372	450 635			2 425 576
<b>Total Councillors</b>	8	-	<b>4 262 203</b>	<b>714 927</b>	<b>2 658 138</b>			<b>7 635 268</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			901 107	299 380	318 189	210 258		1 728 934
Chief Finance Officer			839 024	167 240	408 325	195 772		1 610 362
EXECUTIVE MANAGER: Corporate Services			817 693	271 741	288 827	190 795		1 569 056
EXECUTIVE MANAGER : COMMUNITY SERVICES			727 985	235 911	263 416	169 863		1 397 175
EXECUTIVE MANAGER: TECHNICAL SERVICES			817 693	231 175	329 803	190 795		1 569 466
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>4 103 503</b>	<b>1 205 447</b>	<b>1 608 561</b>	<b>957 484</b>		<b>7 874 994</b>
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	8 365 706	1 920 374	4 266 699	957 484		15 510 262

## 2.9 Monthly targets for revenue, expenditure and cash flow

NW392 Naledi (Nw) - Supporting Table SA25 Budgeted monthly revenue and expenditure																	
Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
<b>Revenue By Source</b>																	
Property rates			3 936	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	6 372	47 231	49 923	52 719	
Service charges - electricity revenue			12 934	12 853	13 673	13 759	12 759	12 872	12 688	12 966	11 772	11 834	12 777	5 766	146 653	155 013	163 693
Service charges - water revenue			2 496	2 906	2 788	2 817	1 617	1 434	2 203	2 443	1 448	2 446	1 668	2 318	26 582	28 098	29 671
Service charges - sanitation revenue			1 681	1 533	1 414	1 680	1 480	1 685	1 481	1 755	1 416	1 626	1 305	2 694	19 750	19 413	20 569
Service charges - refuse revenue			1 423	1 423	1 416	1 519	1 219	1 318	1 321	1 381	1 563	1 572	1 587	2 500	18 242	17 834	18 917
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			55	48	47	59	59	53	37	67	77	72	67	365	1 006	1 063	1 122
Interest earned - external investments			23	20	17	8	8	18	15	19	19	20	12	177	358	378	400
Interest earned - outstanding debtors			1 875	1 352	1 337	1 625	1 325	1 450	1 499	1 633	1 147	1 187	1 126	1 645	17 200	18 180	19 199
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			125	120	121	36	36	118	59	69	49	66	89	210	1 097	1 160	1 225
Licences and permits			106	291	237	243	343	281	422	235	286	248	260	253	3 208	3 391	3 581
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			16 812	5 672	3 000	-	8 814	-	4 000	-	10 583	-	-	30	48 911	50 560	53 433
Other revenue			260	674	205	339	239	377	386	280	237	268	245	793	4 303	4 548	4 803
Gains on disposal of PPE			-	-	2 700	2 500	1 000	2 000	-	1 800	-	-	-	-	10 000	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>41 725</b>	<b>30 583</b>	<b>30 648</b>	<b>28 278</b>	<b>32 592</b>	<b>25 298</b>	<b>27 805</b>	<b>26 341</b>	<b>32 291</b>	<b>23 029</b>	<b>22 827</b>	<b>23 124</b>	<b>344 542</b>	<b>349 560</b>	<b>369 332</b>
<b>Expenditure By Type</b>																	
Employee related costs			14 914	14 191	14 989	14 952	14 952	14 421	14 220	14 373	14 981	15 120	14 992	6 874	168 980	178 612	188 614
Remuneration of councillors			568	568	587	587	587	587	587	581	581	581	581	1 243	7 635	8 070	8 522
Debt impairment			1 178	1 180	1 192	1 196	1 196	1 195	1 196	1 321	1 530	1 627	1 893	1 947	16 650	15 802	16 687
Depreciation & asset impairment			3 000	3 000	3 000	4 000	4 000	4 000	4 000	3 983	3 983	3 983	3 983	3 440	44 370	44 370	44 370
Finance charges			1 850	1 150	1 150	1 150	1 950	1 150	1 150	1 150	1 150	1 150	1 150	1 622	15 772	16 671	17 604
Bulk purchases			7 826	8 772	8 059	8 763	8 363	8 018	8 875	7 685	8 461	7 475	9 180	6 496	97 973	103 558	109 357
Other materials			1 556	1 874	1 739	1 878	1 978	1 919	1 014	1 217	1 073	1 003	1 178	1 508	17 936	15 466	17 472
Contracted services			1 199	761	917	1 128	1 128	1 138	1 348	1 211	1 012	3 011	1 222	542	14 618	2 526	2 668
Transfers and subsidies			13	10	14	30	0	14	17	14	30	20	45	39	245	303	312
Other expenditure			1 245	2 126	1 871	1 740	1 740	1 474	1 451	2 029	1 597	2 406	2 166	1 369	21 213	22 278	23 458
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>			<b>33 349</b>	<b>33 632</b>	<b>33 517</b>	<b>35 423</b>	<b>35 894</b>	<b>33 917</b>	<b>33 857</b>	<b>33 564</b>	<b>34 397</b>	<b>36 375</b>	<b>36 389</b>	<b>25 079</b>	<b>405 393</b>	<b>407 657</b>	<b>429 065</b>
<b>Surplus/(Deficit)</b>																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			8 377	(3 049)	(2 869)	(7 145)	(3 301)	(8 619)	(6 052)	(7 223)	(2 106)	(13 346)	(13 562)	(1 956)	(60 851)	(58 097)	(59 733)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			9 250	2 000	2 000	4 000	2 500	5 000	5 000	2 000	2 538	2 000	-	1 917	38 205	32 961	36 956
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>17 627</b>	<b>(1 049)</b>	<b>(869)</b>	<b>(3 145)</b>	<b>(801)</b>	<b>(3 619)</b>	<b>(1 052)</b>	<b>(5 223)</b>	<b>432</b>	<b>(11 346)</b>	<b>(13 562)</b>	<b>(39)</b>	<b>(22 646)</b>	<b>(25 136)</b>	<b>(22 777)</b>
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1		<b>17 627</b>	<b>(1 049)</b>	<b>(869)</b>	<b>(3 145)</b>	<b>(801)</b>	<b>(3 619)</b>	<b>(1 052)</b>	<b>(5 223)</b>	<b>432</b>	<b>(11 346)</b>	<b>(13 562)</b>	<b>(39)</b>	<b>(22 646)</b>	<b>(25 136)</b>	<b>(22 777)</b>

NW392 Naledi (Nw) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL				2 700	2 500	1 000	2 000		1 800				-	10 000	-	-
Vote 2 - MUNICIPAL MANAGER													-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		304	52	0	4	4	0	37	2	10	63	59	76	610	645	681
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		1 958	2 409	1 941	2 986	1 936	2 733	1 936	2 282	1 988	2 382	2 343	4 755	29 650	27 507	29 132
Vote 5 - COMMUNITY DEVELOPMENT SERVICES													-	-	-	-
Vote 6 - TECHNICAL SERVICES		21 678	17 195	21 368	22 148	22 285	21 915	17 836	19 804	20 729	14 318	16 341	16 468	232 086	236 430	251 889
Vote 7 - ECONOMIC DEVELOPMENT													-	-	-	-
Vote 8 - FINANCIAL SERVICES		18 435	16 344	3 761	4 578	15 104	5 179	5 126	2 880	24 289	2 494	3 912	8 297	110 401	117 940	124 586
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		42 376	36 000	29 771	32 216	40 330	31 827	24 935	26 769	47 016	19 257	22 655	29 596	382 747	382 521	406 288
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		1 149	1 200	1 005	1 213	1 213	1 116	1 370	1 138	1 113	1 018	1 136	2 097	14 766	15 474	16 274
Vote 2 - MUNICIPAL MANAGER		1 149	1 200	1 005	1 213	1 213	1 116	1 370	1 138	1 113	1 818	1 736	2 830	16 899	12 187	12 869
Vote 3 - ADMINISTRATION & CORPORATE SERVICE		2 505	2 388	2 446	2 251	2 401	2 169	2 404	2 357	2 190	2 679	2 057	3 931	29 779	31 196	32 924
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		7 030	6 857	7 122	6 610	7 309	7 234	6 571	6 715	6 796	7 401	6 542	549	76 737	78 600	82 973
Vote 5 - COMMUNITY DEVELOPMENT SERVICES													-	-	-	-
Vote 6 - TECHNICAL SERVICES		23 555	20 603	19 314	18 609	18 381	18 405	17 823	18 810	19 216	18 584	21 123	3 309	217 732	220 181	231 215
Vote 7 - ECONOMIC DEVELOPMENT		159	190	103	124	124	198	107	105	172	142	85	163	1 671	1 611	1 693
Vote 8 - FINANCIAL SERVICES		2 592	2 523	3 367	3 427	2 527	3 635	3 411	2 699	2 820	2 541	2 537	15 730	47 809	48 407	51 117
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		38 137	34 962	34 361	33 446	33 168	33 873	33 057	32 962	33 419	34 183	35 215	28 610	405 393	407 657	429 065
Surplus/(Deficit) before assoc.		4 238	1 037	(4 590)	(1 230)	7 162	(2 046)	(8 122)	(6 193)	13 597	(14 926)	(12 560)	987	(22 646)	(25 136)	(22 777)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	4 238	1 037	(4 590)	(1 230)	7 162	(2 046)	(8 122)	(6 193)	13 597	(14 926)	(12 560)	987	(22 646)	(25 136)	(22 777)

NW392 Naledi (Nw) - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue - Functional																
Governance and administration		21 435	16 344	6 461	7 078	10 104	9 179	5 126	7 680	22 289	3 494	3 912	7 907	121 011	118 585	125 267
Executive and council				2 700	2 500	1 000	2 000		1 800				-	10 000	-	-
Finance and administration		21 435	16 344	3 761	4 578	9 104	7 179	5 126	5 880	22 289	3 494	3 912	7 907	111 011	118 585	125 267
Internal audit													-	-	-	-
Community and public safety		313	294	281	225	196	220	296	285	298	219	220	1 431	4 278	4 487	4 739
Community and social services		296	275	260	201	172	196	278	252	280	200	202	1 354	3 964	4 155	4 388
Sport and recreation		17	19	21	25	25	24	18	33	18	19	18	77	314	332	350
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
Economic and environmental services		7 715	758	2 000	-	4 774	2 906	3 650	-	986	-	-	(90)	22 699	23 768	24 892
Planning and development		7 715	758			4 774		3 650	-	986	-		(90)	17 793	18 583	19 416
Road transport				2 000			2 906						-	4 906	5 186	5 476
Environmental protection													-	-	-	-
Trading services		21 316	15 861	30 391	21 328	13 629	18 838	20 102	16 401	18 500	16 818	17 813	23 762	234 759	235 681	251 390
Energy sources		16 860	10 482	26 317	16 404	9 357	14 843	15 939	11 984	14 103	11 752	12 831	6 848	167 720	170 083	181 964
Water management		1 450	1 738	1 042	1 823	1 171	1 090	1 059	1 160	1 534	1 933	1 705	11 068	26 771	28 297	29 882
Waste water management		1 520	1 655	1 553	1 619	1 619	1 524	1 620	1 701	1 355	1 365	1 444	2 826	19 801	19 466	20 626
Waste management		1 486	1 986	1 479	1 482	1 482	1 381	1 484	1 556	1 508	1 768	1 833	3 020	20 466	17 834	18 917
Other													-	-	-	-
Total Revenue - Functional		50 780	33 257	39 133	28 631	28 703	31 143	29 173	24 366	42 073	20 532	21 946	33 010	382 747	382 521	406 288
Expenditure - Functional																
Governance and administration		7 795	8 561	7 568	7 640	7 790	7 370	7 435	7 944	8 373	8 288	7 280	23 208	109 253	107 264	113 184
Executive and council		2 249	2 900	2 005	2 213	2 213	2 216	2 370	2 738	2 113	2 818	2 036	5 796	31 664	27 661	29 143
Finance and administration		5 547	5 662	5 564	5 428	5 578	5 154	5 066	5 206	6 260	5 470	5 244	17 411	77 588	79 603	84 041
Internal audit													-	-	-	-
Community and public safety		3 359	2 995	3 095	2 751	2 750	2 760	2 773	3 296	3 157	3 280	3 103	3 692	37 012	38 348	40 466
Community and social services		1 397	1 238	1 442	1 100	1 000	1 070	1 048	1 179	1 098	1 111	1 025	1 362	14 072	14 596	15 414
Sport and recreation		980	724	694	705	705	730	790	1 121	1 114	1 262	1 121	1 910	11 857	12 037	12 682
Public safety		982	1 032	959	945	1 045	960	933	996	945	905	956	414	11 072	11 703	12 359
Housing			1			1		1			1		6	10	11	11
Health													-	-	-	-
Economic and environmental services		10 124	7 177	6 513	8 182	10 585	9 485	7 942	7 824	7 877	8 420	8 925	5 789	98 842	101 653	106 096
Planning and development		409	400	403	424	424	448	417	335	372	427	335	101	4 495	4 596	4 845
Road transport		9 715	6 776	6 110	7 758	10 161	9 038	7 524	7 489	7 505	7 993	8 590	5 688	94 347	97 057	101 251
Environmental protection													-	-	-	-
Trading services		15 611	14 129	15 581	13 560	12 830	12 941	14 947	13 740	14 900	14 277	15 972	1 799	160 286	160 392	169 318
Energy sources		10 142	9 492	11 191	8 142	8 112	8 145	9 625	8 297	9 344	9 346	9 816	10 133	111 784	113 064	119 340
Water management		1 999	2 138	2 050	2 099	2 099	1 997	2 586	2 234	2 237	2 103	2 000	(8 586)	14 954	15 740	16 621
Waste water management		1 949	937	813	1 760	960	925	838	1 790	1 281	1 307	1 317	835	14 713	13 437	14 190
Waste management		1 521	1 563	1 527	1 559	1 659	1 874	1 898	1 419	2 038	1 521	2 839	(583)	18 836	18 151	19 168
Other													-	-	-	-
Total Expenditure - Functional		36 889	32 862	32 757	32 133	33 955	32 557	33 097	32 804	34 307	34 265	35 279	34 488	405 393	407 657	429 065
Surplus/(Deficit) before assoc.		13 892	394	6 376	(3 502)	(5 252)	(1 413)	(3 924)	(8 437)	7 766	(13 733)	(13 334)	(1 478)	(22 646)	(25 136)	(22 777)
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	13 892	394	6 376	(3 502)	(5 252)	(1 413)	(3 924)	(8 437)	7 766	(13 733)	(13 334)	(1 478)	(22 646)	(25 136)	(22 777)

NW392 Naledi (Nw) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER													-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICES													-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES		500	1 000	500	1 000								1 155	4 155	7 161	8 120
Vote 5 - COMMUNITY DEVELOPMENT SERVICES				250									-	250	-	8 240
Vote 6 - TECHNICAL SERVICES			1 000	2 500	3 500	4 500	3 500	2 500	3 500	4 500	3 500		4 000	33 000	19 000	19 696
Vote 7 - ECONOMIC DEVELOPMENT													-	-	-	-
Vote 8 - FINANCIAL SERVICES													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	4 500	3 500	-	5 155	37 405	26 161	36 056
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER													-	-	-	-
Vote 3 - ADMINISTRATION & CORPORATE SERVICES													-	-	-	-
Vote 4 - COMMUNITY DEVELOPMENT SERVICES													-	-	-	-
Vote 5 - COMMUNITY DEVELOPMENT SERVICES													-	-	-	-
Vote 6 - TECHNICAL SERVICES													-	-	-	-
Vote 7 - ECONOMIC DEVELOPMENT													-	-	-	-
Vote 8 - FINANCIAL SERVICES													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	4 500	3 500	-	5 155	37 405	26 161	36 056

NW392 Naledi (Nw) - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council														-	-	-
Finance and administration														-	-	-
Internal audit														-	-	-
Community and public safety		500	1 000	500	1 000	-	-	-	-	-	-	-	1 155	4 155	13 161	8 120
Community and social services														-	13 161	8 120
Sport and recreation		500	1 000	500	1 000								1 155	4 155	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		-	500	1 500	-	2 000	-	-	1 000	-	1 000	-	2 000	8 000	-	1 500
Planning and development														-	-	-
Road transport			500	1 500		2 000			1 000		1 000		2 000	8 000	-	1 500
Environmental protection														-	-	-
Trading services		-	500	1 250	3 500	2 500	3 500	2 500	2 500	3 500	3 500	-	2 000	25 250	19 000	26 436
Energy sources			500	1 000	3 500	2 500	3 500	2 500	2 500	3 500	3 500		2 000	25 000	19 000	18 196
Water management														-	-	-
Waste water management														-	-	-
Waste management				250										-	250	8 240
Other														-	-	-
Total Capital Expenditure - Functional	2	500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	3 500	4 500	-	5 155	37 405	32 161	36 056
Funded by:																
National Government		500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	3 500	4 500		5 155	37 405	32 161	36 056
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	3 500	4 500	-	5 155	37 405	32 161	36 056
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds														-	-	-
Total Capital Funding		500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	3 500	4 500	-	5 155	37 405	32 161	36 056

NW392 Naledi (Nw) - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash Receipts By Source</b>													1		
Property rates	2 536	2 308	2 916	2 830	2 830	2 822	3 822	3 870	2 870	2 870	2 870	2 878	35 423	37 442	39 539
Service charges - electricity revenue	9 630	9 549	9 369	9 455	8 455	9 568	8 384	8 662	8 468	9 530	9 473	9 446	109 990	116 260	122 770
Service charges - water revenue	1 664	1 674	1 657	1 685	1 685	1 702	1 671	1 712	1 816	1 514	1 836	1 320	19 937	21 073	22 253
Service charges - sanitation revenue	1 138	1 190	1 271	1 237	1 337	1 242	1 238	1 212	1 373	1 283	1 162	1 129	14 813	14 559	15 427
Service charges - refuse revenue	1 178	1 078	1 171	924	974	1 073	1 076	1 136	1 168	1 177	1 192	1 535	13 682	13 376	14 188
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	55	48	47	59	59	53	37	67	77	72	67	365	1 006	1 063	1 122
Interest earned - external investments	23	20	17	8	8	18	15	19	19	20	12	177	358	378	400
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	125	120	121	36	36	118	59	69	49	66	89	210	1 097	1 160	1 225
Licences and permits	106	291	237	243	343	281	422	235	288	248	260	253	3 208	3 391	3 581
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	16 812	5 672	3 000	-	8 814	-	4 000	-	10 583	-	-	30	48 911	50 560	53 433
Other revenue	260	674	205	339	239	377	386	280	237	268	245	793	4 303	4 548	4 803
<b>Cash Receipts by Source</b>	<b>33 527</b>	<b>22 624</b>	<b>20 011</b>	<b>16 818</b>	<b>24 781</b>	<b>17 253</b>	<b>21 112</b>	<b>17 262</b>	<b>26 948</b>	<b>17 047</b>	<b>17 206</b>	<b>18 138</b>	<b>252 727</b>	<b>263 810</b>	<b>278 741</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	9 250	2 000	2 000	4 000	2 500	5 000	5 000	2 000	2 538	2 000	-	1 917	38 205	32 961	36 956
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>42 777</b>	<b>24 624</b>	<b>22 011</b>	<b>20 818</b>	<b>27 281</b>	<b>22 253</b>	<b>26 112</b>	<b>19 262</b>	<b>29 486</b>	<b>19 047</b>	<b>17 206</b>	<b>20 055</b>	<b>290 932</b>	<b>296 771</b>	<b>315 697</b>
<b>Cash Payments by Type</b>															
Employee related costs	13 914	13 191	13 989	14 952	14 952	14 421	14 220	14 373	13 981	13 120	13 992	13 874	168 980	178 612	188 614
Remuneration of councillors	568	568	587	587	587	587	587	581	581	581	581	1 243	7 635	8 070	8 522
Finance charges	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	3 122	15 772	16 671	17 604
Bulk purchases - Electricity	10 951	8 897	9 184	7 888	7 488	7 843	8 000	6 810	7 586	6 600	8 305	8 421	97 973	103 558	109 357
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1 556	1 874	1 739	1 878	1 978	1 919	1 014	1 217	1 073	1 003	1 178	1 508	17 936	15 466	17 472
Contracted services	1 199	761	917	1 128	1 128	1 138	1 348	1 211	1 012	3 011	1 222	542	14 618	2 526	2 668
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	13	10	14	30	20	14	17	14	30	20	45	19	245	303	312
Other expenditure	1 745	2 126	2 871	1 740	2 740	1 474	2 451	2 029	1 597	2 406	2 166	2 869	26 213	71 778	78 958
<b>Cash Payments by Type</b>	<b>31 096</b>	<b>28 578</b>	<b>30 450</b>	<b>29 353</b>	<b>30 042</b>	<b>28 546</b>	<b>28 786</b>	<b>27 385</b>	<b>27 009</b>	<b>27 891</b>	<b>28 639</b>	<b>31 598</b>	<b>349 373</b>	<b>396 985</b>	<b>423 508</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	500	2 000	3 250	4 500	4 500	3 500	2 500	3 500	3 500	4 500	-	5 155	37 405	32 161	36 056
Repayment of borrowing	486	486	486	486	486	486	486	486	486	486	486	486	5 835	5 835	5 835
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>32 082</b>	<b>31 064</b>	<b>34 186</b>	<b>34 339</b>	<b>35 029</b>	<b>32 532</b>	<b>31 773</b>	<b>31 371</b>	<b>30 996</b>	<b>32 877</b>	<b>29 125</b>	<b>37 239</b>	<b>392 613</b>	<b>434 981</b>	<b>465 399</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>10 695</b>	<b>(6 440)</b>	<b>(12 176)</b>	<b>(13 521)</b>	<b>(7 747)</b>	<b>(10 279)</b>	<b>(5 661)</b>	<b>(12 109)</b>	<b>(1 510)</b>	<b>(13 830)</b>	<b>(11 920)</b>	<b>(17 184)</b>	<b>(101 681)</b>	<b>(138 210)</b>	<b>(149 702)</b>
Cash/cash equivalents at the monthly/year begin:	25 500	36 195	29 755	17 580	4 058	(3 689)	(13 968)	(19 629)	(31 738)	(33 247)	(47 078)	(58 997)	25 500	(76 181)	(214 391)
Cash/cash equivalents at the monthly/year end:	36 195	29 755	17 580	4 058	(3 689)	(13 968)	(19 629)	(31 738)	(33 247)	(47 078)	(58 997)	(76 181)	(76 181)	(214 391)	(364 093)

## 2.10 Annual budgets and SDBIPs – internal departments

NW392 Naledi (Nw) - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		147 109	135 213	148 058	131 976	131 976	131 976	-	-	-
Executive and council		57 716	32 184	-	10 000	10 000	10 000	-	-	-
Budget and treasury office		88 508	102 274	143 298	116 874	116 874	116 874	-	-	-
Corporate services		885	755	4 760	5 102	5 102	5 102	-	-	-
<i>Community and public safety</i>		18 308	15 376	12 696	10 530	10 530	10 530	-	-	-
Community and social services		2 133	4 638	3 491	2 841	2 841	2 841	-	-	-
Sport and recreation		1 501	703	620	272	272	272	-	-	-
Public safety		14 664	9 494	8 568	7 412	7 412	7 412	-	-	-
Housing		10	541	16	5	5	5	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14 196	59 048	37 234	34 364	34 364	34 364	-	-	-
Planning and development		401	298	477	576	576	576	-	-	-
Road transport		13 794	58 750	36 757	33 788	33 788	33 788	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		149 381	183 674	176 669	237 616	237 616	237 616	-	-	-
Electricity		96 552	130 895	130 272	159 560	159 560	159 560	-	-	-
Water		22 605	20 881	14 868	40 515	40 515	40 515	-	-	-
Waste water management		14 766	16 107	15 478	18 529	18 529	18 529	-	-	-
Waste management		15 458	15 791	16 052	19 012	19 012	19 012	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	328 994	393 311	374 658	414 486	414 486	414 486	-	-	-
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		92 184	412 521	132 692	87 017	87 017	87 017	-	-	-
Executive and council		24 035	325 407	28 702	27 912	27 912	27 912	-	-	-
Budget and treasury office		47 000	58 223	76 015	30 481	30 481	30 481	-	-	-
Corporate services		21 149	28 890	27 976	28 625	28 625	28 625	-	-	-
<i>Community and public safety</i>		45 098	51 181	54 595	57 778	57 778	57 778	-	-	-
Community and social services		12 817	11 155	13 349	13 918	13 918	13 918	-	-	-
Sport and recreation		7 163	10 994	11 935	11 465	11 465	11 465	-	-	-
Public safety		25 079	29 021	29 138	32 385	32 385	32 385	-	-	-
Housing		39	10	173	10	10	10	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		83 886	76 736	69 068	97 858	97 858	97 858	-	-	-
Planning and development		955	3 075	3 582	4 761	4 761	4 761	-	-	-
Road transport		82 930	73 661	65 486	93 096	93 096	93 096	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		150 712	145 690	161 672	161 444	161 444	161 444	-	-	-
Electricity		72 398	82 441	94 900	102 940	102 940	102 940	-	-	-
Water		49 977	31 519	32 725	24 603	24 603	24 603	-	-	-
Waste water management		10 344	12 209	14 222	14 798	14 798	14 798	-	-	-
Waste management		17 994	19 520	19 825	19 103	19 103	19 103	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	371 880	686 126	418 026	404 098	404 098	404 098	-	-	-
Surplus/(Deficit) for the year		(42 886)	(292 815)	(43 369)	10 388	10 388	10 388	-	-	-

NW392 Naledi (Nw) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	121 011	118 585	125 267
Executive and council		-	-	-	-	-	-	10 000	-	-
Finance and administration		-	-	-	-	-	-	111 011	118 585	125 267
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	4 278	4 487	4 739
Community and social services		-	-	-	-	-	-	3 964	4 155	4 388
Sport and recreation		-	-	-	-	-	-	314	332	350
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	22 699	23 768	24 892
Planning and development		-	-	-	-	-	-	17 793	18 583	19 416
Road transport		-	-	-	-	-	-	4 906	5 186	5 476
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	234 759	235 681	251 390
Energy sources		-	-	-	-	-	-	167 720	170 083	181 964
Water management		-	-	-	-	-	-	26 771	28 297	29 882
Waste water management		-	-	-	-	-	-	19 801	19 466	20 626
Waste management		-	-	-	-	-	-	20 466	17 834	18 917
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	-	-	-	-	-	382 747	382 521	406 288
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	109 253	107 264	113 184
Executive and council		-	-	-	-	-	-	31 664	27 661	29 143
Finance and administration		-	-	-	-	-	-	77 588	79 603	84 041
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	37 012	38 348	40 466
Community and social services		-	-	-	-	-	-	14 072	14 596	15 414
Sport and recreation		-	-	-	-	-	-	11 857	12 037	12 682
Public safety		-	-	-	-	-	-	11 072	11 703	12 359
Housing		-	-	-	-	-	-	10	11	11
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	98 842	101 653	106 096
Planning and development		-	-	-	-	-	-	4 495	4 596	4 845
Road transport		-	-	-	-	-	-	94 347	97 057	101 251
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	-	-	-	-	-	160 286	160 392	169 318
Energy sources		-	-	-	-	-	-	111 784	113 064	119 340
Water management		-	-	-	-	-	-	14 954	15 740	16 621
Waste water management		-	-	-	-	-	-	14 713	13 437	14 190
Waste management		-	-	-	-	-	-	18 836	18 151	19 168
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	-	-	-	-	-	405 393	407 657	429 065
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	(22 646)	(25 136)	(22 777)

## 2.11 Contracts having future budgetary implications

In terms of the Naledi's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### 1. In year reporting



Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality website.

## 2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

## 3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

## 4. Audit Committee

An Audit Committee has been established and is fully functional.

## 5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval.

## Municipal Manager's Quality Certificate

### NALEDI LOCAL MUNICIPALITY



### MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Malefo CC** , Municipal Manager of **Naledi Local Municipality**, hereby certify that this Operating and Capital Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the 2017/2018 Operating And Capital Budget and the MTREF and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: Malefo CC

**Municipal Manager of Naledi Local Municipality**

**Signature:** \_\_\_\_\_

**Date: 31 May 2017**